NATION'S BUSINESS

NOVEMBER · 1941




TOLL AND LONG DISTANCE TELEPHONE CONVERSATIONS
(BELL SYSTEM)
JANUARY
FEBRUARY
MARCH
APRIL
MAY
JUNE
100 MILLION
90 MILLION
80 MILLION
70 MILLION
60 MILLION
50 MILLION
40 MILLION
30 MILLION
20 MILLION
10 MILLION
1940
1941
"Here's why we're so busy"
We thought 1940 was a busy year — until 1941 came along! As you can see, we have handled from *five to fifteen million more Toll and Long Distance conversations every month!* And, as this is written, the number is still climbing!
The extra calls, of course, are due largely to defense activity. We're glad to help the country keep things moving. *And we'll continue to* — just as quickly and courteously as we can.
(P. S. — If in these busy times you should occasionally have a call delayed, please understand and be patient.)
LONG DISTANCE
helps unite the nation
BELL SYSTEM

FIRST CHOICE *OF THE RAILROADS TODAY!*

THE streamliner pictured here is more than "the locomotive of tomorrow." It is the No. 1 locomotive of *today*.

Authority for this statement is the fact that American railroads, for the past four years, have bought more GM locomotives than locomotives of any other kind.

And in this achievement you see a typical example of the progressive benefits that General Motors enterprise makes possible.

The Diesel engine that drives these swift and thrifty locomotives was born of General Motors research in internal combustion engines. And from our experience in manufacturing motors, generators, bodies and hundreds of other parts—came the processes by which all such units are now made and assembled into complete locomotives in the largest self-contained locomotive factory in the world.

But equally important as the job of developing these locomotives, is the job they themselves have done in actual operation on the railroads. Many people know their record in passenger service. But railroad men can tell you also how more than 600 General Motors switchers have accelerated freight handling and pared down costs in railroad yards—that a new high-powered freight locomotive is beginning to extend these advantages to mainline freight operation.

And you can thank the alertness of railroad management for putting this new equipment to work at a record rate—to better still further the service of the finest railroads in the world.

ELECTRO-MOTIVE CORPORATION

Subsidiary of General Motors, La Grange, Illinois



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SCALES HELP PERFECT THEM!





Fairbanks Dial Scale head with Printomatic Weigher. Weights and related data may be printed on tickets, roll tape, ticket and tape... even on sheets as wide as 18".

SCALES help design airplanes? Yes, they help vitally! In wind tunnels where airplane designs are tested, *scales* are the instruments which give engineers the figures they need.

And that's just *one* of the unusual jobs modern Fairbanks Scales are doing for industry! For today there are scales which *count* small parts or products, weigh while materials are on the *move, print* records and receipts, *add up weights* and record totals, and weigh predetermined amounts *automatically.*

It's quite possible that Fairbanks-Morse Scale engineers could point out unsuspected but profitable applications of modern scales in your plant. Their knowledge and experience are at your service in solving any weighing problem. Write Fairbanks, Morse & Co., Dept. K56, 600 S. Michigan Ave., Chicago, Ill. Branches and service stations throughout the United States and Canada.

FAIRBANKS·MORSE SCALES

DIESEL ENGINES ELECTRICAL MACHINERY RAILROAD EQUIPMENT WASHERS-IRONERS STOKERS
PUMPS MOTORS WATER SYSTEMS FARM EQUIPMENT AIR CONDITIONERS



Uncle Sam's Bread Basket Filled to the Brim

LAST summer the railroads were faced with what might easily have been called an impossible task. With a near-record wheat crop ripening in the field, the elevators were still jammed with the biggest carry-over in history. And, as everybody knew, the railroads had their hands full already with a mountainous pile of defense assignments.

But the railroads refused to call it impossible. They laid their plans to do the job.

Before the first wheat was cut, the railroads had started moving old wheat out of grain-belt elevators. Altogether more than 75,000,000 bushels were shifted to more distant points. And while the loaded cars were rolling out, a reserve army of 30,000 cars was being mobilized in the wheat belt, ready to handle the new harvest.

Result? The railroads were able to move every bushel for which storage space could be found! They could have moved more if there had been any place to take it, but with elevators filled to the brim, the wheat still remaining on the farms can be moved only as fast as consumption and export make space available.

This is just one example in many of how the American railroads work together to do a job – in cooperation with shippers, agricultural representatives and government agencies. And it's also a good example of how they get the job done!

SEE AMERICA BY RAILROAD — SPECIAL RATES FOR GRAND CIRCLE TOURS . . . Ask your local ticket agent!

ASSOCIATION OF AMERICAN RAILROADS, WASHINGTON, D. C.



DON'T tell it to the Marines—they *KNOW!*

WHAT'S BACK of that classic phrase "Tell It to the Marines"? Is it a touch of envy, perhaps? Is it admiration, in disguise?

The tough Marines don't give a hang. They just go on getting tougher. "From the Halls of Montezuma to the Shores of Tripoli" sing the Devil Dogs, and you get a glimpse of the colorful history of the United States Marine Corps—a history of brilliant service in many lands. In 95 of the years since the American Revolution the Corps has gone into action at the famous call "Send Marines!" They are *the soldiers that go to sea*—first on the war scene, *first to fight.*

Emblem of the United States Marine Corps

If they'd let you visit the Marine Corps bases at Quantico, at San Diego, at Parris Island and Guantánamo, you'd see the Marines preparing your defense by ultra-modern attack strategy—each division training to be its own self-contained expeditionary force, complete with planes and tanks and artillery, trucks and tractors, and engineer and supply services.

Today International Harvester, dedicating its effort to the cause of NATIONAL DEFENSE, pledges its trucks to the needs of the Armed Forces of the nation. Today the lessons of rugged, world-wide service—such service as Internationals have long been privileged to render the Marines—bear fruit of inestimable value. Wherever duty calls them in the emergency, International Trucks shall play their part—Defenders all!

INTERNATIONAL HARVESTER COMPANY

180 North Michigan Avenue Chicago, Illinois

INTERNATIONAL TRUCKS

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Not only for high-speed Diesels, such as these, but for every type of Diesel operation, there are Texaco quality lubricants—preferred by many for their outstanding efficiency, performance and economies.

Today, throughout the United States, more than 2300 wholesale supply points assure quick availability of Texaco quality lubricants.

THE TEXAS COMPANY

—in all 48 States

TEXACO

NEW Streamlined Passenger Coaches



Announcing— the operation of new streamlined coaches on "The Pocahontas" and "The Cavalier" — crack east-west passenger trains of the Norfolk and Western Railway — coaches that are rightly described as the last word in luxurious, streamlined, air-conditioned travel facilities between the Midwest and the Virginia Seacoast.

Smooth and quiet, the N. & W.'s new streamlined cars are equipped with the most modern safety devices, travel comforts and conveniences . . . rotating, individually reclining seats that are soft and restful; comfortable footrests . . . fluorescent lights with independent switches over each seat . . . unusually wide, double plate glass windows, permitting an unobstructed view of the lovely countryside traversed by the N. & W.'s fast trains . . . modernly appointed lounge rooms for men and women . . . beautiful color schemes and striking murals. In short, the maximum in coach rail travel — at no "extra fare".

To this new streamlined equipment, add an unexcelled dining car service, attractively appointed lounge cars, modern sleeping cars, and you have "The Pocahontas" and "The Cavalier" — two really fine trains!

For a new travel thrill, choose "The Pocahontas" or "The Cavalier" for your next trip between the Midwest and the Virginia Seacoast . . . It's the smart, modern way to go!

NORFOLK and WESTERN Railway

THROUGH THE Editor's Specs

Juvenile minds in action

ONLY a few years ago persons whose prominence was frequently mistaken for perspicacity were urging proscription of all lead soldiers and military toys. Children permitted to use such playthings, they said, would grow up to be militarists with obsessions dangerous to world peace.

We have not heard this argument for a long time. Doubtless those who voiced it are now espousing other causes which they will drop, in turn, when they become unpopular. The only reason for mentioning this here is that it is a harmless example of our American political tendency to serve up an idea before it is thoroughly cooked. The plan to preserve peace by taking toy soldiers from American children had two obvious faults to anyone who bothered to think about it sanely: first, the way to preserve peace was to take away Hitler's toy soldiers, not those of American children. Second, lack of toy soldiers, or toy guns, is no handicap to a boy who wants to play war. All he needs is a paper hat, a straight stick and opportunity to shout "bang," as the lads in the Keystone photograph on our cover prove.

Inflation simplified

SEEKING surcease for a mind drumming to Washington's constant cacophony of economic boogie-woogie—at a steady eight to the bar—we sat on the porch last Sunday and watched the neighbor's small son demonstrate social truths with a clarity that seems to escape the experts who are persistently barking up the congressional tree. The moppet, of course, did not know that he was laying bare economic facts. Actually he was amusing himself by blowing up a balloon with a bicycle pump.

As the boy pumped, the balloon grew from a flabby, lifeless thing to a vibrant, opalescent sphere. He sunk his chubby fingers into its inviting sides and squeezed. As he did so, the other side took phenomenal and peculiar shapes, thus providing a useful lesson in partial price control (Mr. Henderson's idea). A rounded economic balloon can't be clutched at one point without getting peculiar shapes elsewhere.

Tiring of this, the boy continued to pump. Soon it was obvious to an adult mind that, if he kept pumping the balloon would burst. He did. And it did.

Pity 'tis, 'tis true

A TRADE association executive journeyed to Washington with an idea and a fine stock of enthusiasm. He wanted to show the Army how it could save some millions by applying a lesson from the last war effort. A vital military need in the field he serves would be supplied with no sacrifice of speed or efficiency.

Well armed with facts and figures collected by his association, the capital visitor sallied forth to sell his idea to his Government. On the eighth day of his sojourn, he told us, he finally reached a colonel in the War Department labyrinths who at last had no one else to shift him to, and so listened to his story. When he had presented it, this was the frank answer he received:

> That sounds plausible enough. But, young man, if you have come to Washington with an idea to save money you might just as well close your brief case, go back home and forget it. Nobody here is interested in economy, either in defense or civilian expenditure.

The address of Mr. Saposs

TO OUR inquiring subscriber, who writes: "Where is David Saposs now, the man whose division in the National Labor Relations Board was discontinued by Congress on account of the Communistic leanings of its head, Mr. Saposs?" we reply: Mr. Saposs is still with the National Labor Relations Board, Shoreham Building, Washington, D. C., Telephone National 9716—in case you want to reach him in a hurry.

Quod erat demonstrandum

IT HAS long been taught that the way for a politician to succeed is to

AN INVITATION...

TO TRY THIS MACHINE ON YOUR OWN WORK





The point is you don't have to buy it to try it. Just telephone our nearest branch and we'll arrange to deliver an Underwood Sundstrand Adding-Figuring Machine for a free trial.

The Underwood Sundstrand, with only 10 numeral keys to operate, offers speed, accuracy and ease of operation. It adds, subtracts, multiplies and divides . . . makes possible greater figuring production and lower figuring cost. Try it on your own work in your own office. Know why so many concerns are switching to Underwood Sundstrand Adding-Figuring Machines.

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EYES ON THE WORK INSTEAD OF ON THE KEYBOARD

Watch the operator tap out figures on the Underwood Sundstrand. See the fingers of her right hand flash over the condensed keyboard. She doesn't look at the keyboard, her eyes follow the work! There is no headswing . . . and that means faster, more accurate work.

THE NEW *QUIET* STREAMLINED

Underwood Sundstrand

ADDING-FIGURING MACHINE

personalize his devil. Text-books on logic deprecate *argumentum ad hominem*, and designate such methods as devoid of logic, used only by the ignorant or as a last resort by those who have no case.

On the other hand, business men have been criticized for not "dramatizing" their case; of using dull and forbidding statistics; of not providing newspapers with "head-line" stuff.

The country was regaled with examples of these diverse methods recently when Secretary Ickes and Mr. Pelley, of the Association of American Railroads, appeared before a legislative committee which was asking facts about oil. Here is the deadly parallel:

Mr. Ickes states his "facts"

Mr. Pelley has imposed on you.

Mr. Pelley has shown himself willing to sacrifice the safety and security of his country for the base purpose of preventing transportation facilities that would undersell his railroads.

. . . studied opinion and serious promises of a man who has now been proven to have given testimony which was utterly without foundation—and I believe he knew it was without foundation.

The mischief this man has done is incalculable.

. . . an old hand at conniving . . .

(He has stood) in the way of national unity.

(He is) a lobbyist . . .

He wantonly and maliciously deceived (the public).

Mr. Pelley in reply

We are moving about 80,000 barrels of oil a day into the East. The increase of approximately 65,000 barrels a day since Sept. 3 requires use of about 4,000 tank cars.

On Sept. 27 there were 41,993 empty tank cars on hand at petroleum loading points . . . enough to take care of the loadings for that day and the next day, with a surplus of 23,595 cars besides.

We have done no more than tell you the facts and move the oil that has been offered.

Your committee has been told that the Association of American Railroads spends "on propaganda and lobbying activities . . . far over $100,000,000 for the period since 1918."

The sums mentioned were actually those spent through the years by various associations and committees in doing for the railroads those things which can be done better by joint action than by each railroad individually. Nearly two-thirds of the sum mentioned was spent for joint preparation and publication of tariffs as required by law.

Route map

IF UNCLE SAM had conscripted every last share—1,462,857,984, in all—of the 1,236 companies listed on the New York Stock Exchange as of September 30, it would have done much to bail the old gentleman out of debt.

These stocks had a value of $40,984,-419,434.

But even that big gift, from Abbott Laboratories to Zonite Products Incorporated, comprising our giant motor companies, chemical and amusement industries, would have left him still owing $10,361,987,675, to say nothing of the commitments he has already made for the next couple of years, which optimists say will run another $50,000,000,000.

Apparently, even if we socialized our biggest businesses, and even if we got going pretty fast on our small ones, Socialism in the United States would start with a deficit.

Polls in a Democracy

REPORTS are that the federal Government will soon have its own personally conducted continuing poll of public opinion under the direction of Col. William J. Donovan, but privately sponsored by the Marshall Field Foundation and a western university.

There is open dissatisfaction in Washington with the Gallup and other opinion polls, all of which have consistently shown from 70 to 85 per cent of the people opposed to American participation in a shooting war. The immediate problem, it is said, is to reconcile people to executive actions after the event, on the principle once stated by Emerson that bold action will soften and reconcile a people to a course they have condemned in advance. Once they can be persuaded that a band wagon is rolling, there is a strong probability they won't be able to resist the urge to climb aboard.

It will be interesting to follow Colonel Donovan's National Opinion Research Center. It is openly an Organization with a Purpose.

American omnibus

AFTER three months of "research," a young lady reports that by actual count there are exactly 1,030,031 words in "The Public Papers and Addresses of President Roosevelt."

SLOGANEERS in the Fight for Freedom organization called their Madison Square Garden charivari for war, "It's Fun To Be Free."

A BROOKLYN MAN was sentenced to pay a $100 fine or spend 30 days in jail for flinging a dog out of a third-story window and mangling it. "My first impulse was to send you to jail for six months," the magistrate said, "but I find there is some good in you, that you have two sons in the Army."

THE BRITISH GOVERNMENT has opened a new "information" office in Chicago to cut the war news to fit

IT HAPPENED. . . .



HERE is a catastrophe that didn't happen "over there"!

It happened right in America, bringing to a long halt a busy, useful plant. It can be duplicated wherever power equipment is used—for boilers, pressure vessels, turbines, engines, the very heart of industry, control vast amounts of energy which, if unleashed, can be as destructive as the largest bomb.

With increasing industrial activity, the chances for power-plant accidents are greater—resulting in losses and delays more serious.

If power is an essential in your plant, make sure it is adequately protected. The cost of this assurance isn't a "drop in the bucket" compared to the possible cost of neglect. Hartford Steam Boiler, the pioneer in power-plant insurance, specializes in this type of protection alone. Its far-flung field force of over 400 inspectors, guided and aided by a long-experienced technical staff, is constantly working to prevent accidents before they can happen—to keep power-plants running uninterruptedly.

Your agent or broker can give you many reasons for choosing a Hartford Steam Boiler policy—power-plant protection by power engineers.

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY • Hartford, Connecticut

Covers: *Boilers • Steam, Gas and Diesel Engines • Turbines • Pressure Vessels • Electrical Equipment*
Writes more power-plant insurance than *any FIVE* other companies in this field; and shop-inspects more than 90% of the nation's industrial-power boilers during their construction.

Where early settlers staked out land claims...

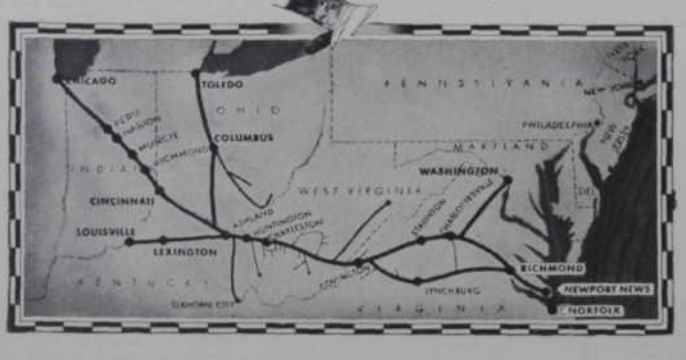


SURVEYORS ARE STAKING OUT FOUNDATIONS FOR VAST NEW PLANTS TODAY!

IN the rich lands now known as *The Chessie Corridor,* the first white settlers staked out great tracts of wilderness—and built tiny log cabins. Today a new wave of settlers is coming in . . . this time to build great manufacturing plants. There's still plenty of room to grow in *The Corridor,* for the industries already here and for those coming in ever-increasing numbers . . . attracted by The Corridor's endless resources. Here are abundant raw materials to meet the needs of a diversity of industries. Limitless fuel—coal, oil, gas and low-cost electric power. Plentiful, pure water flows in *The Corridor's* streams, and wells up from the ground. Excellent transportation by Chesapeake and Ohio's fast, scheduled freight service brings major markets within first to third morning delivery range of this desirable manufacturing area.

Perhaps your company's wisest move would be to follow the present march of new industries into *The Chessie Corridor.* To help you find the answer, you should have *all* the facts—now—about this territory.

"Will a cute little kitten be the symbol for Industry's next great expansion area?"



Here's the WHOLE STORY —between covers. Information on this important area is now organized and available in a new 56-page book you'll be proud to have in your library—"*The Chessie Corridor—Industry's Next Great Expansion Area.*" This beautiful book is a graphic survey of the resources, conditions and opportunities which beckon industry to *The Corridor.* Copies will be mailed to business executives requesting them from INDUSTRIAL DEVELOPMENT SERVICE, Chesapeake and Ohio Lines, Huntington, W. Va.



THE CHESSIE CORRIDOR ★ *Served by* CHESAPEAKE *and* OHIO LINES

what it is pleased to call mid-West "prejudices." Washington now has 3,000 employees in the various British Government offices.

THE TELEPHONE NUMBER of the Office of Emergency Management is REpublic 50-50.

SPEAKING AT A CONFERENCE of English writers in London, Ambassador John G. Winant said: "What some of us really want is world citizenship."

Competition in chariots

THERE is an old rule in editorial shops that every "first" and "only" should evoke the skeptical raised eyebrow. In editing that piece on the manufacture of racing sulkies (October number, Page 60) we almost forgot the rule, by permitting the author to say that when you see a sulky "the chances are pretty good that it was made by the Houghton Sulky Co."

Well, it may have been made by the Jerald Sulky Co. of Waterloo, Ia., we learn. Not even the making of modern horse chariots in 1941 is unique. S. E. Jerald, head of the firm, says that his father established the business at Osage, Ia., in 1898, and that he has carried on the same craft since his father's retirement. So, if you need a good sulky, remember there are *at least* two places where you can get one. We add the qualifying words just in case.

Too much overhead

CIVILIAN employees of federal, state and local government have reached a new high of 4,168,000. In addition, there are 1,536,000 persons on W.P.A., C.C.C. and N.Y.A. projects and 1,944,000 in the army and navy.

Excluding the armed forces, that's almost one government payroller for every two persons employed in the manufacturing industries (total 12,146,000), even under the tremendous stimulation of armament making. Here is a nation straining to produce in a hurry for defense and yet for every 100 men making guns, ships, food, clothing and every other needed item of manufacture there are 47 chargeable to overhead, of whom some are essential.

Much ado about nothing

A handy whipping boy and a perpetual horrible example of predatory plutocracy is now lost to the merry flayers of big business. A federal court has found the Aluminum Company of America guiltless on all counts alleging monopoly, conspiracy and misconduct. The Department of Justice had gone "all out" for conviction, employing a platoon of lawyers for 40 months and amassing 58,000 pages of testimony. The money spent to impeach the integrity of Alcoa would have produced a whale of a stack of aluminum for warplanes. Notable is the lack of comment in Washington upon the acquittal.

Little ironies of Washington

OUR CYNICAL VISITOR dropped in to comment on the controversy over the Constitutions of Russia and the United States. "They are similar," he said, "with the exception of a few minor differences. For example, our habeas corpus, in the Russian Constitution, reads 'habeas cadaver.'"

He also had another comment: "Harry Hopkins was right when he said that we as a people were too dumb to understand. Can you beat this Homeric jest? A short time ago we were raising a hue and cry against Wall Street and Big Business. Today we bring Wall Street's top operator Odlum to Washington to arrange to give Little Business an extra 15 per cent, based on the assumption that Big Business is 15 per cent more efficient than Little Business."

He went on: "Speaking of the need for national unity, there is Mr. Eccles, chairman of the board of governors of the Federal Reserve system, advocating in the morning paper drastic curtailment of non-defense spending, to forestall inflation. In the evening paper, President Roosevelt advocates, as a check upon inflation, the expansion of social security to cover some 40-odd million more citizens, with the attendant expense of administration, involving the employment of thousands of additional federal workers."

"Finally," commented our Cynical Visitor, "we set our W.P.A. to work gathering figures on W.P.A. prospects and is it any wonder the W.P.A. census finds 700,000 lost jobs during September and recommends not only increased appropriations for relief but a ten per cent 'up' in W.P.A. payments."

Tough question, good answer

CYRUS McCORMICK, of New Mexico, not attached to the O.P.M., was quizzed recently by a group of automobile dealers. "What will happen," they asked, "to the workers in Detroit with auto production cut in half?" He countered, "What will happen to dealers with auto production cut in half?" "That's the same question," they responded.

"Same question, same answer," was Mr. McCormick's reply.



But you still have to sell the LADIES

We may be in what economists call a "seller's market," but don't let that fool you — you still have to *sell the ladies* . . . They're as keen as ever about values, convenience, style, etc. And they still "go for" those products that are packaged with an eye to attractiveness as well as utility.

Here are some packages designed to win feminine favor. Most of them you will notice show the product, so as to sell on sight. All of them have the neat, perfectly formed wrapping that bespeaks quality and careful manufacture . . . And, equally important, they are all wrapped at *low cost* on our machines.

In filling wrapping requirements — yours for example — we have a line of over 70 models to draw upon; machines that can handle anything from a razor blade to a package of coal. Our Engineering and Designing Department is also at your service should you require a special type of wrapping machine.

•

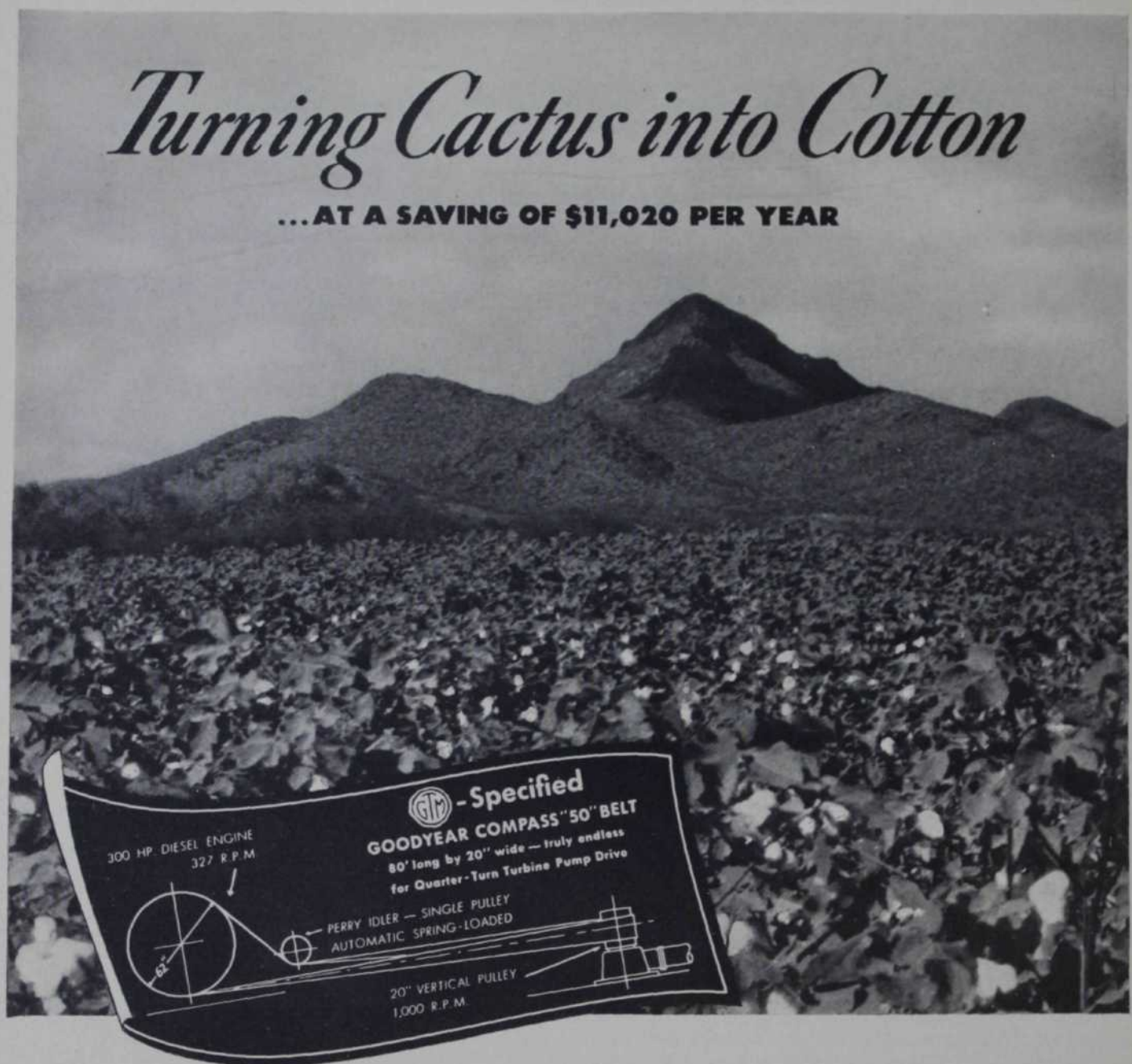
Why not let us check up on your present package and wrapping methods?



PACKAGE MACHINERY COMPANY
Springfield, Massachusetts
New York Chicago Cleveland Los Angeles Toronto

Turning Cactus into Cotton

...AT A SAVING OF $11,020 PER YEAR



AN Arizona cotton grower faced a costly irrigation problem. To bring 600 acres of desert land into production, he needed seven gallons of water per minute, per acre, during the growing season. But the best local wells averaged only 2,250 g.p.m.—making two wells, costing about $24,000, essential. Then engineers suggested that a single Diesel-driven pump, with special reversing equipment for "surging" water in the well, might do the job—if a belt could be found that would stand this heavy-duty two-way service. This brought in the G.T.M.—Goodyear Technical Man. On his recommendation that a Goodyear COMPASS "50" truly endless belt would fill the bill, the installation was made. In two years' service this pump has averaged about 4,500 g.p.m.—*at a saving of $38 per day under the estimated cost of operating two wells or a total saving of $11,020 for a working year of 290 days!* So successfully has the COMPASS belt handled this heavy alternating drive without slip or stretch, 23 similar installations have been made by neighboring growers. To consult the G.T.M. on your belt-killing drives, write Goodyear, Akron, Ohio or Los Angeles, California — or phone the nearest Goodyear Mechanical Rubber Goods Distributor.

Compass — T.M. The Goodyear Tire & Rubber Company

THE GREATEST NAME IN RUBBER
GOODYEAR



Nation's Business NOVEMBER 1941

Peace at Any Price?

LET'S MAKE SURE we keep "the things worth fighting for!"

Sixty billions for the arsenal of democracy; blood and sweat to preserve justice and decency abroad. Is our course at home leading away from decency and justice? Is it degrading the individual citizen rather than dignifying him?

Which way does the wind blow? Consider this straw:

The government asked for bids on 300 defense houses. Patrick J. Currier, of Detroit, submitted low bid, $431,000 under the next lowest. Officials congratulated him, urged him to hurry back home and get started, the formal contract to follow. Currier spent time and money, $10,000, getting started.

Then something happened. Mr. Sidney Hillman, of the labor department of O.P.M. objected to giving the contract to Currier, despite the recommendation of the Federal Works Agency and in the face of the Department of Justice ruling that there was no justification in law for withholding the contract.

The Currier Company has a closed C.I.O. shop. It pays wages higher than the prevailing union rate, higher than the standards set by the Government.

Why, then, did Mr. Hillman object? Because he had signed an agreement with the A. F. of L. to give all defense construction work "done for or through any federal agency" to contractors employing A. F. of L. members. He gave a monopoly of public work to a competitive group. Again, why? For what consideration? The promise of A. F. of L. not to call jurisdictional strikes.

Dismiss for the moment the economic cost, the bribe of $431,000 overcharge which workers who buy or rent these homes must pay; the cost of defense to citizens, increased by billions if the Hillman rule applies to all defense construction work.

Consider, rather the casual manner in which the rights of John Doe, private citizen, have been bartered away. Not of Mr. Currier, the employer, but of Currier's workers, and millions of nameless citizens whose right to work and earn a living are put in jeopardy.

We are moving far from the freedom Americans are fighting for when one man, who derives his appointment and authority from the President, can offer as ransom to one labor group the rights of others. Expediency, it is said, must rule, as was said in extenuation of those in authority who permitted the taking over of property by sit-down strikers. But when expediency is translated as justice, every man may put his thumb in the scales. When any organized group of citizens, be it of labor, agriculture or business, can compel the Government to break its own laws under threat of civil disturbances, expediency becomes a weasel word for administrative cowardice.

There is in every civilized people a hidden capacity seldom aroused—and wisely so. Rulers fear it. Down through the centuries can be seen the chastening influence of a people's righteous indignation. The late Senator Borah once said, "when a country becomes indifferent to injustice, when it loses its capacity for indignation and anger, it has begun to decay."

The Currier case is one of the bitter fruits of a mistaken national labor policy. It may well serve the country as the test which Senator Borah had in mind. An issue is squarely before a people who once arose in wrath to declare "millions for defense, but not one cent for tribute."

Merle Thorpe

What does Standard protection (CAPITAL STOCK COMPANY INSURANCE) do for you?



". . . I'm sorry—he's out. There's been a fire down at the hardware store . . . We don't know the extent of the damage, but a customer got hurt . . . Oh, sooner than that, I'm sure. Is there anything I can do? The renewal of your insurance? Why, he took care of that yesterday; your new policies are ready, and he'll deliver them to you this afternoon . . . Not at all, Mr. Henry, thank you"

Only the office, and his wife, appreciate how constantly your local insurance agent is on the job, taking personal care of the insurance needs of his clients; providing the personal link between them and the sound protective facilities of capital stock fire insurance companies.

It's professional skill and attention to every detail—not just luck—that provides you with the proper Standard Protection and peace of mind.

75 YEARS OF ORGANIZED NATION-WIDE FIRE PREVENTION

Behind your agent is The National Board that organized *fire prevention* 75 years ago . . . and has been at it ever since.

THE NATIONAL BOARD OF FIRE UNDERWRITERS, 85 John St., New York • Est. 1866 • Nation-wide organization of 200 capital stock fire insurance companies

Death Warrant for Progress

By CARL SNYDER



The tremendous rise in taxes, reducing business profits, is the primary cause of our industrial anemia

THE SUGGESTION that Government seize earnings above six per cent has a weakness that seems to have been overlooked—it won't work

WHITHER we are going may often be discerned by a look back at the road we have come. A few years ago the country would have been shocked if a Secretary of the Treasury had proposed casually that the United States Government might expropriate all earnings of corporations running beyond six per cent. Now we seem reconciled to this further step toward quasi Communism.

The sentimentalist will applaud the motive for the recommendation which is "no profit out of patriotism." But the realist appreciates immediately the consequences flowing from its practice. He sees these results:

1. The encouragement of waste and inefficiency, discouragement of thrift and ingenuity in an industrial system which can live only on its determination and ability to reduce costs, thus prices, and thus to broaden distribution.
2. Creation of an unreal world in which we rate one risk no more or less than another, though we all know risks vary and must be rewarded variously.
3. Reduction in the use of known reserve production resources that need to be brought into play now, paid well now, because they will most certainly be idle later.
4. Repression of a broad segment of industry which, if profitable, could be honestly taxed and thus help to pay the nation's defense bill.

Reality, then, should dismiss our wishful thinking forthwith—and yet it does not. The Secretary's latest dream is but a further drift toward fundamental Communistic aims and objects. It does not even have the virtue of direct approach—it is, to repeat, just a drift, unheeding of the logical outcome.

We have drifted a long way toward this veiled Communism. In the celebrated Marxian proclamation, Number Two of the fundamental objects was: "A heavy, progressive, or graduated income tax." Number Three was "Abolition of all right of inheritance"—little difference whether the right of inheritance is abolished altogether or the Government takes practically the entire proceeds, as it seems now ready to do.

We do not label this "Communism." First it was merely a "New Deal." And now it is near to a shibboleth of Patriotism.

And the excuse—the pretext of this headlong urge to destroy private enterprise in these United States? That the nation is in danger. I am of those who believe there is a danger, perhaps greater than we know, but it is not merely German barbarism, which is real enough; but that this is to be used as a means of destroying the system which has created this wonder of the world, our American system of free enterprise. Difficult to determine which danger is the greater.

Still a wealthy country

THIS country is very rich, even in the face of ten years of needless depression. It is rich enough to finance this war without recourse to Communistic methods (or Nazi methods).

The root of it all, as I see it, is our economic ignorance and widespread heedlessness of what is actually going on. What is it that has brought about the present situation?

The past 11 years are without a parallel in this country's history. Careful compilations show that an average rate of growth not greatly differing from one decennium to the next had been maintained for every ten years since the founding of the Republic. In the past 50 years before 1930, this average rate of growth was about four per cent a year. Since 1930 this growth has been completely arrested.

The prime cause of this check is readily apparent. We had in 1929-1932 a deep and drastic slump in all our industrial activities. In extent it was about the worst since the long depres-

sion after the collapse of 1837, described by Prof. William Graham Sumner, years ago, as probably the worst depression this country had ever known. We had recurrent depressions throughout the century, averaging in duration some two and three years, or less.

The latest, before 1929, that of 1907, was actually well over within eight or ten months of the panic. But this time there has been no recovery for any full year, up to the levels of either 1928 or 1929. In this period economic rehabilitation has been complicated by new and profound political changes, and agitations centering in radical undertakings and reforms.

It is worth while to inquire what this long depression has cost the country, in terms of 1928-1929. At a compound rate of about four per cent capital doubles in 18 or 20 years. Consequently, with anything like full recovery and normal growth in the past eight or ten years, our national product and our national income would, in 1940, have been one-half greater than at the peak of the '20's.

Measured from this normal line of growth, projected, the total deficit for the ten or 11 years would be reckoned at about $150,000,000,000, a sum probably near, if not equal, to the total invested capital in productive industry in the United States. As I see it, there is little probability for anything like a normal recovery and a normal increase, unless it be the product, directly, of a war boom, always a costly and usually disastrous method of stimulating national growth.

What is the stumbling block? Apprehension, lack of confidence, doubt as to the future, we have had in abundance. But the country's business must go on. Further we have had, strange to say, in these ten years an advance in technology and in new and improved means of production that has never been surpassed in our history. This advance and the consequent cheapening of the costs of production have been largely responsible for the gains from the low point of 1931 and 1932. The result is that the people as a whole may have suffered less than in some shorter depressions.

Tax burden is too heavy

BUT, if we seek the primal cause of our industrial anemia, we must look deeper. As I see it, the drastic reduction in business profits, traceable largely to the tremendous rise in taxation, has resulted in a strange anomaly, witnessed for the first time in our recorded history: a greater amount paid in taxes than the net profits of trade!

George B. Roberts of the National City Bank prepared an interesting table showing that in only one year since 1933 has the amount of dividends paid equalled taxes. In four years from 1931 there was not even a net income after taxes, but a deficit. That is to say, the dividends paid were taken out of past earnings or working capital. A further tabulation of 50 nationally known corporations, each among the largest 50 different lines of manufacturing, mining and trade, transportation and electric power, showed that taxes were close to nine per cent of gross income in 1939. The total of taxes was greater than the net income before taxation, by 14 per cent.

Now note the result. The total dividends per shareholder in these 50 nationally known corporations was $206; taxes per shareholder, $315. Still more astonishing, the tax per *employee* was $552.

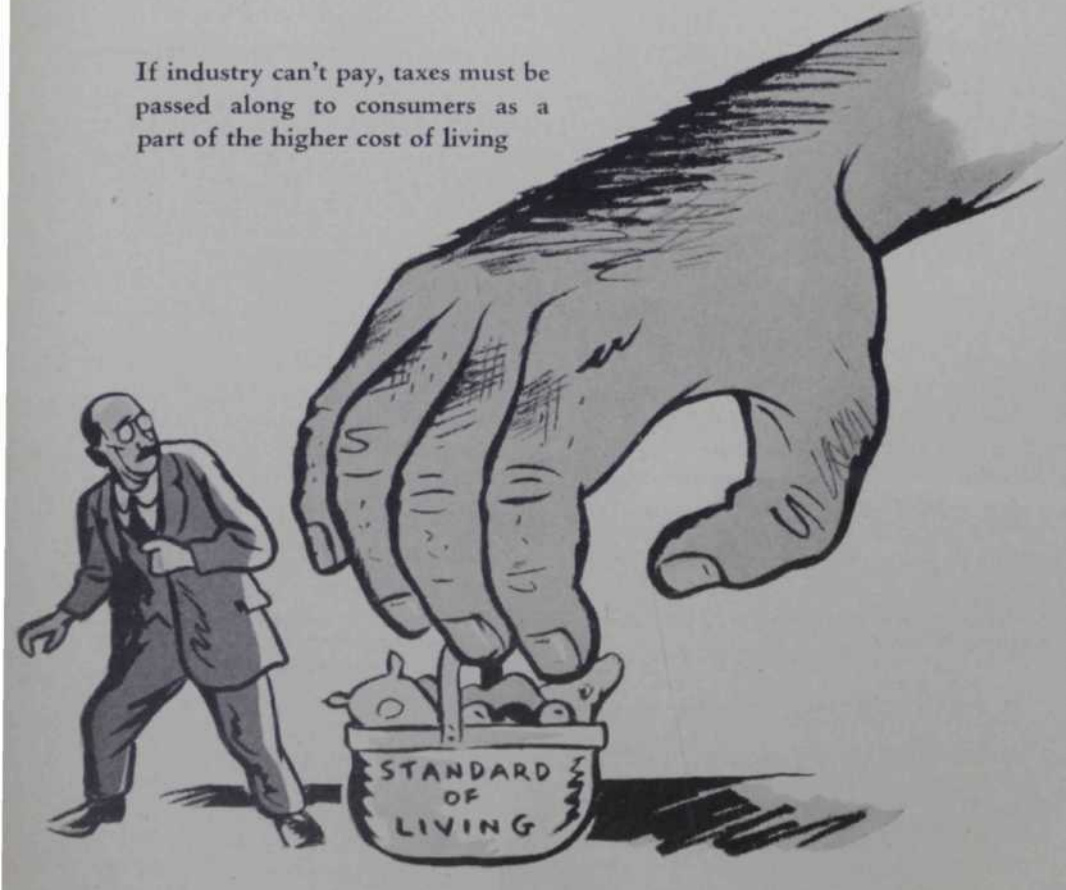
Consider what this figure means: the average wage of all employees in these 50 companies—1,600,000 workers—probably did not much exceed, if it equalled, $1,200 or $1,500 a year. In other words, the taxes paid by the companies were equal to something like one-third of the workers' total compensation. Probably not paid by the "workers" but in large part passed on to the consumer, who paid, therefore, just so much more for the goods he purchased.

We can at least be sure that these final taxes were not paid by the rich save in reduction of income, because the rich are few in number—four per cent or five per cent of the population at the outside—and not large consumers. If these taxes were passed on in the prices of goods and services this minor part of the community would pay only a relatively small part. The great part of the increased cost occasioned by these heavy taxes was paid, literally, by "the people," in increased cost of living.

I am trying to point out the profound effect of this heavy taxation, and all the fantastic schemes that have gone with it, upon our general prosperity and our national income. I have noted that the net invested capital of productive industry in the United States might be something like $150,000,000,000. The figure is more or less an estimate but it cannot be far wrong.

The normal return, or at least the nominal return, on this investment has been about five per cent or six per cent —not less than five per cent—because that is approximately the rate of net increase in capital invested over the past 100 years. The average rate of profit may have been a little higher, perhaps six per cent. To this difference the owners of capital investment must in large measure look for their living. Much greater than six per cent it could not have been, because if it were, the net increase for the century would have been something fabulous. Incidentally, we may compare this actual five per cent or six per cent with the 40 per cent or 50 per cent imagined by Karl Marx and other socialistic theorists!

If confirmation of the average return of five per cent were needed, it appears in the relation of the average profits



If industry can't pay, taxes must be passed along to consumers as a part of the higher cost of living



Statesmen can't seem to understand that when they tax capital out of existence they bring national progress to a standstill

of all corporations to their actual invested capital, reported to the Treasury. At its peak this figure stood at $160,000,000,000 in 1929. In that year, supposedly a great "boom" year, the reported net income of all corporations was $8,000,000,000. Therefore, an average return of an even five per cent. The average for the four prosperous years 1926-1929 inclusive was likewise an even five per cent. In the last four years for which figures are available average profit was 1.7 per cent.

Now the increase in invested capital is almost wholly derived from corporation profits. The proof is that the normal increase tends to equal the average return in dividends to the shareholders, as though almost the entire amount of dividends was turned back into this capital invested!

This net annual increase in capital investment, I suppose, seems so small to the star-eyed exponents of reform that they cannot believe that such extraordinary results can derive from so slender a source. They forget the acorn and the towering oak.

But, for the oak to grow, it must have a steady supply of nutriment and moisture. Compared to the bulk of the grown tree, the amount of water and nutriment required seems exceedingly small. But a subtle force draws up the sap to the topmost leaf. Shut off this steady life-giving fluid and the tree withers and dies.

Industry needs nourishment

OUR industries face the same fate. They are as susceptible to blight as trees. Their fabulous increase in product is due fundamentally and in the main to machinery, new and ingenious chemical processes, and to the fruits of industrial research. It is but remotely to be credited to things like the fabled skill and energy of the workman. That skill and energy were there, and had been there, we have evidence to show, for at least 5,000 years before the great outburst of industry in recent times began. Some of the craftsmen of Roman and Babylonian days showed extraordinary technical skill. I doubt that we have seen any increase in this human quality for a long period; a fact, I find, that many can scarce believe. They do not realize that nine-tenths of our product of today is from machines and processes, and that these alone made possible the immense growth in product in the past 150 years.

But all this $40,000,000,000 or $50,000,000,000 worth of machinery, means of transport and the like has required a steady and definite increase in the capital supply, year by year. What our "statesmen" apparently cannot understand, is that to stop this capital supply—to tax it out of existence—is simply to bring the progress of the nation to a standstill. This is exactly what it has done in the past ten years of "social experimentation," bungling and futile efforts to improve the lot of the "common" man. As if human nature could be changed by fiat or decree! As if, by laws and commissions or endless bureaus for this and that, human intelligence or skill could be increased by a hair's breadth!

This belief has already cost this country incredible sums. It threatens to continue this impoverishing loss, because it now seems clear enough that it is only the burden of unsound taxation, of restrictive laws and meddlesome bureaus that is holding back this country from the continuation of the great industrial and social advancement it achieved through five or six generations.

Simply this and nothing else!

(Continued on page 84)

Let's Put



GENDREAU AND LOHR

These young minds will naturally seek a new social order if we continue the nagging belittlement of America

EVERY man of patriotism and sense must know that in importance and urgency our defense program is the nation's first job, beside which all other considerations are secondary. But it would be only too easy, knowing this, to fall into the fallacy of thinking that because defense is vitally important, nothing else has any importance at all. Or it would be easy to take the viewpoint which many people already seem to take, namely, that because we are living under abnormal conditions, any normal thought or action is untimely and unpatriotic.

We are in a phase now where all the talk is about "Production for defense," as it rightly should be. Whether we like it or not, before long we shall have to bring up another topic, which is, "Production for paying the bills."

However you care to deal with that undodgeable topic, it all boils down to this:

We have to pay the cost of defense and perhaps war with the only authentic wealth there is. That means the profitable flow of goods from farm and factory to the home.

According to the United States Chamber of Commerce some 40,000,000 workers are now employed in America accomplishing 80,000,000,000 hours of productive work annually. Also, according to the same source, the defense program will require 20,000,000,000 hours. As I see it, that leaves about 60,000,000,000 hours in which, within the limits allowed by priorities, we can, if we will, produce a whale of a lot of goods to be sold to people who aren't in the army. We had better get busy, and keep busy, if we want to walk out of the tunnel with our shirts on when this is all over—our own shirts, I mean, and not those monogrammed 77-B.

The popular song we sang in the last World War, "Keep the home fires burning," might now be wisely paraphrased to "Keep the home wheels turning." That is the way to better morale, a stronger national economy, larger tax revenues, widespread price stability, a buoyant home front.

It seems unarguably plain to me that, if we do not keep democracy productive, it will die. And we shall not keep it productive if we continue to travel down the distressful road we have been following—a road virulent with cultivated disaffection and distrust which, whatever its origin or design, has left aching and lamentable wounds. Suspicion and envy have hampered the enterprising, and serviceable, and productive among us by smearing their motives and challenging their rewards. Even if its roots are in those good intentions that the road to hell is said to be paved with, this attitude has overlooked the inexorable truth that, if you want to find the place where Joe Public scrabbles hardest for a living and is most grimly up against it, you seek the place that lacks most of the things against which our loudest critics crusade.

Enervating democracy

THE very lifeblood of democracy is enthusiasm and faith. Yet the whole tendency of the past few years, alike here and abroad, has been, under the guise of political, economic and social reform, to divorce democracy from the idea of efficiency, and to jeer at the values of its success. It has become intellectually swank to be faintly amused at the virtues our forefathers held to be cardinal: justice, courage, independence, diligence—and at their instinct to ask "how much?" instead of an easy "why not?" It has become the

Glory Back in "Old Glory"

By ARTHUR KUDNER

AMERICA would benefit by a liberal dose of grandeur, replacing the inferiority complex which cramps our civilian and military output today

thing to make self-reliance suspect, so that those who lift need justifying more than those who lean.

The times cry out for some counterbalance to the doctrine that exalts security above self-respect and growth. They clamor, also, for recognition of the pragmatic truth that those who can *do* are certainly as praiseworthy as those who can *say*. From the twilight of its doghouse the spanked puppy "Success" once more peers hopefully forth, sensing the gleam of returning respectability. For the world is in process of learning all over again that things of the spirit, however admirable, cannot be upheld without things material, things worthily made by brains and hands and machines. It is learning, too, that love of liberty, even willingness to die for it, are not enough. The lesson comes home in somber clarity that wishes without means, gains without risk, production without toil, prosperity without industry, progress without pain are alike unattainable—and that, however showy, intelligence without character is at last a glittering irony, as a diamond necklace upon a tubercular chest.

Restrained by negativism

YOUNG minds, keen minds, tough minds, aspiring minds, the flower of perception and energy, if balked and frustrated under continuance of the nagging negativism that has scarred the past few years, will look elsewhere to another social order for fulfillment of the most natural impulses in man. You have only to look abroad to see how inevitably true that is, even where the premises are spurious and the means brutal. For those of our people whose mistaken contribution to cur-

Reformers who say that America has failed are sending us draggle-tailed to our great rendezvous with destiny



BUCHER—NESMITH AND ROBERTS

rent American problems is mainly criticism and belittlement, the lesson should be clear; that to persist in these at the cost of discouraging the productive is as foolish as to stop a headache by blowing out your brains.

As for us in trade, our job is to let America know her own worth, as a first step—and let the world know her worth, as a second.

I hope that, in any such appreciative process, one of the minor shifts we shall be able to manage will be away from the widespread popular worship of the diminutive and immature. The cult of the miniature and childish in America is at shocking variance with the power and sweep of this country and the vigor of its birth and development. This adoration of the juvenile is everywhere visible—from the prevalence of baby-face heroines of jailbait age in the movies to the trade-names on the very cereals we eat. Even women's drawers haven't escaped it—no girl wears pants any more: only briefs, scanties, shorts, or panties instead.

Whether all this is the cause or effect of a similar tendency in our legislation and political oratory, I am not wise enough to say. Certainly here as elsewhere there is altogether too much talk of the helplessness of the "average citizen" and the needs of the "little people," to the exclusion of the needs of everyone else. If our talk is to deal so concernedly with needs, what is really needed is the injection of some *grandeur* into democracy and its plans for the future—methods and means for building some of our little people into big ones.

I hope it is only coincidence that caused one of the ablest men of France, the late Marshal Lyautey, to make this comment about his country before the war:

> I am not interested in labels or in pigeonholing political opinions—but what is serious is the extraordinary importance given, especially in political speeches, to the adjective *little*. If we believe the political orators, this country is populated by 42,000,000 average Frenchmen who go to a *little* cafe for a *little* game of cards before returning to their *little* houses to join their *little* families and read *Le Petit Parisien*.

Yes, democracy would benefit by a liberal dose of grandeur, whether in peacetime or wartime pursuits. Maybe I am inaccurate in this, and I sincerely hope so, but it seems to me that the same cramps which constrict our civilian outlook are reportedly felt in our military thinking. Just as we seem tempted to copy the economics of nations virtually bankrupt, so do we seem eager to ape and echo the strategy and tactics of slavocracy. Is this necessary? Why let lesser nations pipe the tune? Should we not exploit in our plans and practice the special aptitudes, abilities and superiorities peculiar to ourselves? They keep emphasizing that this is a mechanized war. All right, if and when we have to get in it, let's mechanize it from hell to breakfast, let's make it a flush-riveted, double-chocolate, turbo-supercharged one. That ought to be our special dish. There are more cars in Brooklyn than in Germany. There are more in California than in all the aggressor countries put together. Nationally speaking, that's only another way of saying that some 75,000,000 or 80,000,000 folks in this country are habituated to bossing horse-power around, usually at speeds above the legal limit. There ought to be a cue for big-time, all-out strategy in that.

We don't use our skills

BY THE same token, let's add to our normal defense plans the fact that some 11,000,000 hunting licenses are issued in this country every year. There's no sharpshooting fact to match that one in any other land on earth.

So I merely make these observations to show that we have a national background of skills which could, reasonably, have important bearing on our military effort. I doubt if we're getting as much out of them as we should.

Even in propaganda, for which we have a special talent, the democracies have let their competitor write the ticket. If you have read the chapters in *Mein Kampf* devoted to this, you have seen how elementary is the base they work from—by current commercial standards they employ about a 1910 model in plan and technique. If we're going to have to mess in this sort of thing, we ought to go all the way. This certainly is advertising's home and we've let small-time operators take our stuff and scare us with it. We ought to be able to spot the Axis boys their Fifth Column and think nothing of it, by taking over the sixth, seventh, eighth, ninth and tenth columns for ourselves. Emerson hit the nail on the head when he said that nothing great was ever accomplished without enthusiasm. In the international arena, as on the home grounds, our kind of folks seem to have forgotten that. The democracies go draggle-tailed to the great rendezvous with destiny, abandoning all fanfare and showmanship.

Nor can we safely forget the part enthusiasm should play in future here at home. Man does not live by bread alone, nor by bellyaching either. The mood today is that an optimist is a man who is uncertain about the future. If we feel that nothing better than that is ahead for America let us remind ourselves of the two skeletons in a closet.

(Continued on page 55)



"I can't help it, sir. I'm so used to carrying 'round my sample case!"

Everybody's "Uncle"

AS RECORDED

By LOWELL BRENTANO



Her lower lip quivers: "You'll never have to sell it. It's my dead mother's ring"

IF YOU own a pawnable article, your credit is good with the last of the economic royalists no matter what friends, banks or government say

I AM a pawnbroker. My family have been pawnbrokers in Philadelphia for more than 100 years. To be precise, I am the fifth generation, the great great-grandson of the founder who first opened our doors about 1832.

The sign of the three balls symbolizes an individual or family business, rather than a large corporation. In fact, I often describe the individual pawnbroker as "the last of the economic royalists," because, in the depression, the Government entered almost every conceivable lending field except pawnbroking. We still take care of our own.

I began my business career at the age of 11—my father dead, my mother struggling to support four hungry youngsters. I opened up and dusted the shop before school, and acted as errand boy and general assistant afterwards. There were no child labor laws then and I, for one, never missed them. I was having a grand time.

Whenever my uncles sent me out with furs, diamonds, jade, paintings, or other articles that needed to be cleaned or repaired, they encouraged me to push into the workrooms and watch the work being done. I observed how diamonds were cut and polished, how furs were graded and treated, how paintings were cleaned and restored. I poked my nose into the trade secrets.

I was developing a pawnbroker's "sixth sense" of merchandise valuation which must be acquired by observation and experience rather than by formal education. Indeed, I know of no business that requires a more arduous or specialized training. The highest type pawnbroker must be a combination diplomat, psychologist, detective, banker, merchant, appraiser, and art critic.

And the gold fish in his bowl has more privacy than a pawnbroker. Whenever I've had a good year or an extra profitable deal, I like to go out and buy presents for my mother and sister. But, the moment they show their latest treasures to visitors, some one will wise-crack,

"Another poor devil lost a nice ring."

"Probably picked that coat up at ten cents on the dollar."

With the possible exception of groceries or a coffin no one ever credits a pawnbroker with buying new merchandise for his family or himself.

Contrary to popular belief, pawnbrokers do not flourish on the misfortunes of others. A legitimate pawnbroker primarily is in the business of lending money on the deposit or pledge of personal property. Consequently, his main source of income is interest on his loans. In other words, he bets that the articles left with him will be redeemed, and that the customer will repay his loan with interest. In efficiently run pawnshops, about 95 per cent of pawned articles are redeemed. The unredeemed pledges, when eventually sold, usually put red ink on the ledger. Let me show you why.

Pledges must be sold

MOST states provide by law that unredeemed pledges on which no interest has been paid must be sold through a licensed auctioneer at the end of a year. They forbid a pawnbroker from bidding in his own pledges. Now suppose I lend you $100 on a diamond. At the end of a year, if you have not paid the interest, the law compels me to sell it.

Usually the only bidders at the auction are pawnbrokers or people in the trade. Obviously they will only bid the wholesale price of an article. Even if I manage to sell your diamond for the amount of the loan, I have to pay the auctioneer a ten per cent fee and I lose my overhead and interest.

I could far better afford to make you a present of a $100 diamond, if you would agree to pawn it for $75 often enough in the next ten years and to keep up your interest payments!

Times of panic and depression mean more business for pawnbrokers and more red ink. The poor have no jobs, the rich have frozen assets, and everyone rushes for a pawnshop. But, since everyone is broke, when interest payments are due, the pawnbroker is holding the bag. A year passes and he has to auction your merchandise. Those who would normally bid are also short on cash and long on merchandise. If they bid at all, the quotations are at panic prices. In the early '30's when diamonds depreciated 60 per cent to 75 per cent it was a crushing blow to many of us.

Pawnshops are not merely storm shelters for the destitute. Loans of several thousand dollars are not uncommon. Wealthy people, facing broker's margin calls, pawn their jewels and art treasures. Men and women of means, often retired and living on annuities or income payable quarterly or semi-annually, borrow to finance their summer and winter vacations. I have a number of clients who own bulky, old-fashioned silver, tea and coffee sets, soup tureens, and the like, who hypothecate these treasures and find that the interest they pay is less than the cost of the large safe deposit vault they would need to store these objects.



I think my well dressed customer is lying. Men of his type don't tell their intimate lives to strangers

In summer, they give me their furs, and balance their interest against storage charges.

That rather furtive looking individual who was in here an hour ago is a ticket speculator. There's a big fight on next week. He borrowed $200 on his wife's diamonds to use as working capital. He'll be back the morning after the fight, redeem the stuff, and live on his profits until a hockey match, or the opening of an expected smash hit. He's in and out 20 times a year. Incidentally, we have any number of amusement concessionaires on our books. They're in trouble after a rainy week-end and they bail themselves out with a stretch of fine weather.

Gamblers are always with us both professional and amateur. They are highly regarded as clients because of the rapid turnover on their transactions. The hazardous nature of their calling has accustomed them to keeping on hand a supply of valuables readily converted into cash. Often they pawn these after an unlucky night and redeem them a few days later. We get a minimum ten days' interest for a few days' accommodation.

Another of my clients runs a small fur shop with a rather exclusive trade. Summer is a bad time for the fur business. He has to buy his skins to make up into coats and wraps for the fall trade. Banks don't like to lend him money. It is a risky business, especially when he has bought his skins on credit. So he hocks 20 coats he has just made up, and carries himself along until money begins coming in.

There's another group of clients with personal problems. A well dressed woman wants a few hundred dollars on a two carat engagement ring. I notice she has a black eye. She flushes and explains she needs the money to get a divorce from a husband who beats her. She is ashamed to let her wealthy family know about her troubles.

Almost at the other end of the scale is a wealthy man, afflicted with "income tax trouble." He has kept his jewelry with me for five years, possibly so that he can plead poverty to the Government by exhibiting his pawn tickets. Incidentally, the pawnbroker calls customers who leave their articles in hock year after year "sleepers."

One thing few clients understand is our low valuation on articles. A dozen times a day a customer wails, "Why, I paid $40 for that, and it's almost new, and you have the nerve to offer me $5, you—."

Sentiment has a value

RESALE value and sentiment really determine our appraisals. So, obviously, we have to "hedge." I try to explain to customers that pawnbrokers buy at retail but must sell unredeemed articles at wholesale.

When a customer brings me a watch, I must bear in mind, not only the wholesale price of a brand new timepiece but also the condition and style of the model offered me. In the few minutes necessary for a transaction, it is difficult to determine what state of repair a watch is in.

Or take college fraternity pins, frequently pawned by young people. These pins are so light in metal value you can mail them for a three cent stamp, but

elaborately carved and chased. Often they have a tiny row of pearls, too small for any practical resale value. These pins are expensive, yet their transfer value is small, as there are few purchasers for fraternity jewelry. A pin may cost $50—all that I can safely lend is $3 to $5. I won't accept a fraternity pin unless from its original owner, and only then if I think he will redeem it.

Other troublesome items are heavy sterling silver candlesticks. A woman drags a pair in. I weigh them, and say $5. The woman is furious.

"They came from the best shop in town. I paid $50."

Heavy weight, light value

I SHOW her that they are stamped "weighted," (a fact which has often escaped her attention) and which ordinarily means that 90 per cent of the weight is lead or some other base metal. My calculation is based on ten per cent of the weight being in sterling. Initials, by the way, on any type of jewelry are a nuisance to the pawnbroker. Often they cannot be removed and are a sales handicap in transferring the article to a purchaser.

As a rough rule of thumb we figure metal value only of gold and silver jewelry. While customers may originally pay $4 to $5 an ounce for "worked silver"—that is, for designing and artistry—we lend approximately $1 an ounce for metal value. With gold, we lend 80 per cent of the mint price. Many of us do not appreciate President Roosevelt's revaluation. When he jumped the price of gold from $20 to $35 an ounce, he gave us a profit. But we know that, within certain limitations, he can put the price down again. Even though this is improbable, many of us are still nervous about making loans on the current price of gold.

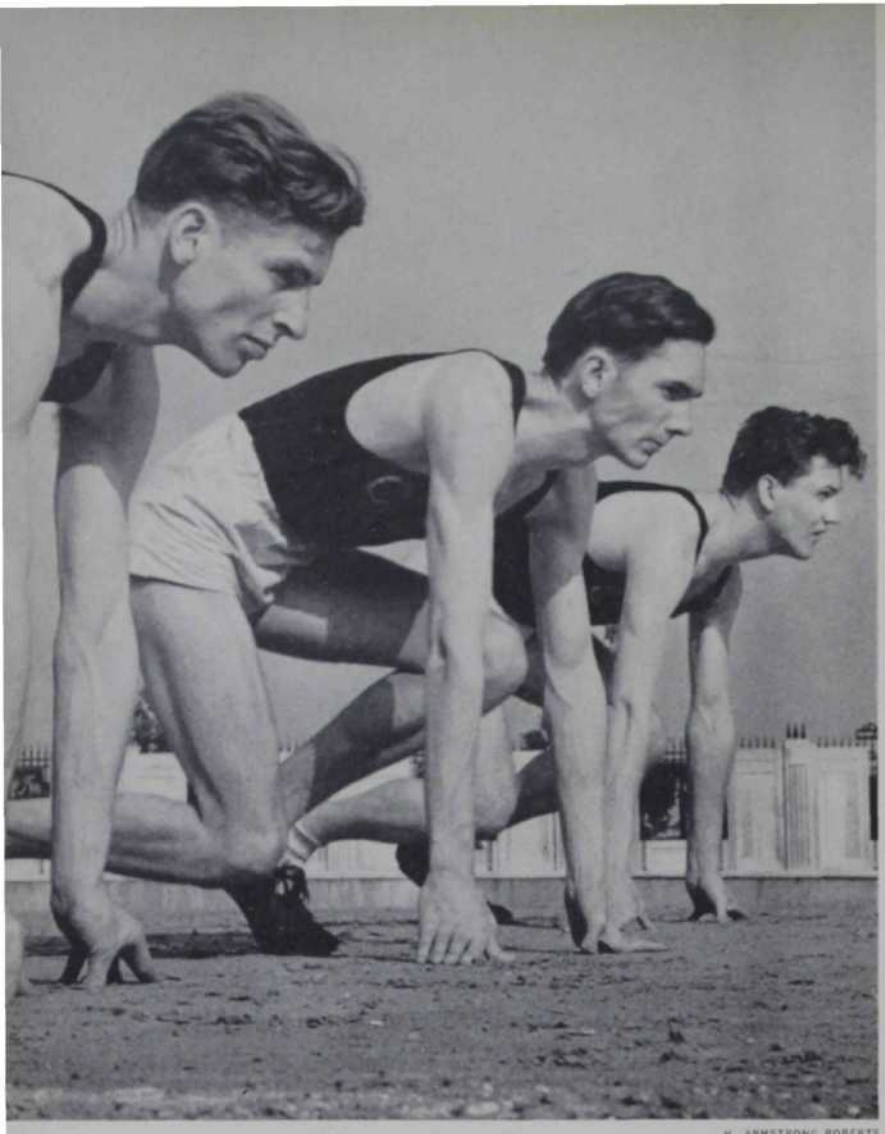
Loans on furs and clothing are exceedingly dangerous, because of possible deterioration in storage, the difficulty in resales, and changes in styles. Consequently we play our cards close to the chest in appraising these personal belongings.

Strangely enough, sentiment plays an important part in valuation. Owners acquire an affection for their old belongings and want to redeem them. Therefore the legitimate pawnbroker places more confidence in second-hand articles than new merchandise. You may receive a Christmas, birthday, or wedding present you dislike and pawn it for the highest price possible, with

(Continued on page 74)



I see a prospective customer lurking nervously outside, fearful that his friends will see him enter the shop



H. ARMSTRONG ROBERTS

"so that all may finish together"

No Fun to Run a Race

AMERICA is directly in the path of a world-wide tidal wave of "socialism" and its litter of pups—communism, fascism, nazism. Socialism is the great leveller. Except for those who gain political power and rule, the great majority are cursed with a dead level of reward. Those with training, ambition or skill can rise no higher than those without.

If this is good in one kind of competition, it should be good in all. Yet, nobody tells Ted Williams that a man with a .400 batting average is guilty of an unfair trade practice. No one suggests that Di Maggio should be forced by statute to limit his hits to a maximum of 250 feet; no one tells the New York Yankees that they must win only 60 games a season, or less; or insists that the country's track men shall take not less than 12 seconds to negotiate the 100 yard dash so that all may finish together.

Every one knows that such rules would reduce sports to mockeries, tedious for competitors as well as spectators. What incentive remains to the football player who knows that, no matter how adroit he may become his gain is limited to six yards, his team's score to the same level as that of his opponent?

Such rules run counter to human nature; they prevent progress in whatever field they are enforced. That is why Mr. Morgenthau's suggestion that business profits be limited to six per cent hit the country with such shocking force. That is why it was led gently out from under the public eye. We aren't ready for it yet.

No Enemies but Dreams

AN archaeologist, studying the relics of lost civilizations, can tell you, "This way did they grind their meal; thus did they travel. These were the gods they worshiped and here is where they buried their dead."

Seldom can he tell why civilizations died. Yet, before the death, must have come decadence. Before decadence there surely were indications that the people and their leaders had lost their drive. The road to higher standards is so rough that millions of the earth's people never climb a mile of it. Thrift, enterprise, ingenuity, hard work—the forces which lead a people, no less than an individual, to place their mark upon their day—do not develop of themselves. The political atmosphere and environment are most important. Out of the people's efforts, a surplus must be set aside each year.

When that surplus goes for unproductive services, the efficiency of the public and private plant is reduced. Once begun, the slide downward is easy. Within ourselves the slide today has begun in America. Like ancient civilizations, we, too, face resistances to our social and economic progress. Some are of our own making—excessive spending, labor and management discord, straitjacketed work weeks, unsound taxation, to name just a few. Let us take no pride in a political atmosphere and environment so much out of step with the facts of the times. Such pride would be but complacency and its fruits are plain—cheapened goods, ersatz materials, the return to bicycles, horses and buggies.



EUROPEAN

"some never climb a mile"

Blue Plate Special

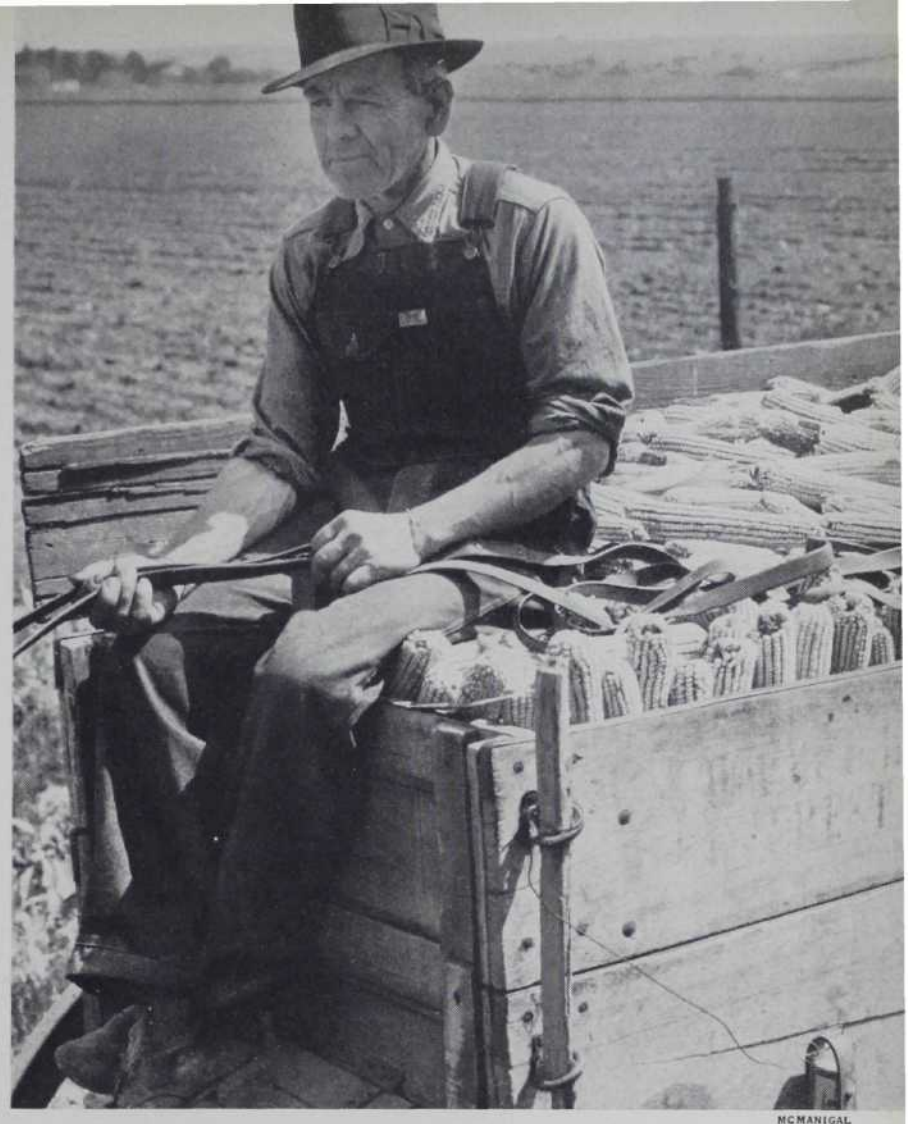
THE PRESIDENT has suggested that $1,000,000,000 of the lease-lend appropriation for Great Britain should go for food. No one can tell how soon that food will be shipped. Mr. Churchill insists that the little island is well stocked at present, but there is no limit to the possibilities of an acute need for victuals in England if their policy makers know that $1,000,000,000 worth is waiting to be delivered without charge.

How much is $1,000,000,000 worth of food? For one thing it is more than the total value of the 1941 wheat crop harvested in this country if it could be sold at one dollar a bushel.

How many people would that mountain ridge of flour, pork, eggs, beans, cheese and other commodities feed? At the rate of a $650 food budget for a family of four, it would give ample sustenance for a year to all the inhabitants of Iowa and Minnesota with more than half of Nebraska thrown in.

Pigs are generally rated as the mid-west farmers' primary mortgage lifter, but the entire crop of hogs marketed in 1940 would have fallen $170,000,000 short of equaling Great Britain's $1,000,000,000 grocery order.

How the food will be divided between military and civilian needs when it gets to Britain, there is no means of knowing, but if the same amount of food were rationed to the present U. S. Army of around 1,500,000 men at the regular allowance of 44 cents a man, it would feed them for more than four years.



MCMANIGAL

"1,428,000,000 bushels at 70 cents"



EUROPEAN

"a leg in cotton is still serviceable"

The Revolt of Momma

LAST month many of us found our dinners late and skimpy because Madame "Housewife," as the Census Bureau calls her, was shopping.

There was a run in silk stockings. The stuff for milady's hose was going into parachutes and ammunition. In one small item of daily use we saw demonstrated inflation, shortages, priorities, hoarding, national planning. Of inflation because goods were more important than prices or currency, of shortages and priorities for obvious reasons, of hoarding because the girls were buying far ahead, and of planning because they knew what they wanted now and a year or more from now.

It would have taken a braver Henderson, Knudsen, Hopkins or Roosevelt to soften this obvious clash between civilian demand and all-out defense thus jelled to an underestimable issue. Momma will do her Red Cross work, and crack down on any semblance of lethargy or selfishness in business. But there is a point where she takes things over in her own way and it will do no good to quote the book to her.

Substitutes are in the making for nearly everything America makes. Our Government tries to lure Madame to cotton stockings; it hopes to make her imitate her sisters of Southeast Europe where a leg in cotton is still a serviceable leg. But who will devise the ersatz republic of days to come? Who will produce the substitutes for initiative, enterprise, liberty and tolerance for which America long ago paid her price and put in her order? That, too, is worth standing in line to get.

Unwhipped



"Nobody is going to resettle me," says share cropper Winkelman

OLD MAN Joad, hero of a rather sadistic best seller and lead character in a tear-priming motion picture, jalopied to California where he became a grape of wrath. So much has been written about him and other migrants from the Dust Bowl that many Americans will be amazed to learn that the Census found 1,651,658 persons yet living on the High Plains, a decrease of 137,851 in ten years.

Those remaining are solving their problems in the self-reliant manner we might expect of the descendants of those who rode the Santa Fé Trail and finally took homesteads on the Great American Desert, a land nobody else wanted. They have not run away from drouth to become economic burdens on other communities. They have refused to be resettled on subsistence farms by the Resettlement Administration. They are solving their own agricultural problems and are preparing for the next drouth by teaching each raindrop to do the work formerly done by two.

ALL PHOTOS BY MCMANIGAL



Farmer Winkelman has kept this unplanted wheat field in cultivation all summer. It is shown here getting a final harrowing for fall seeding

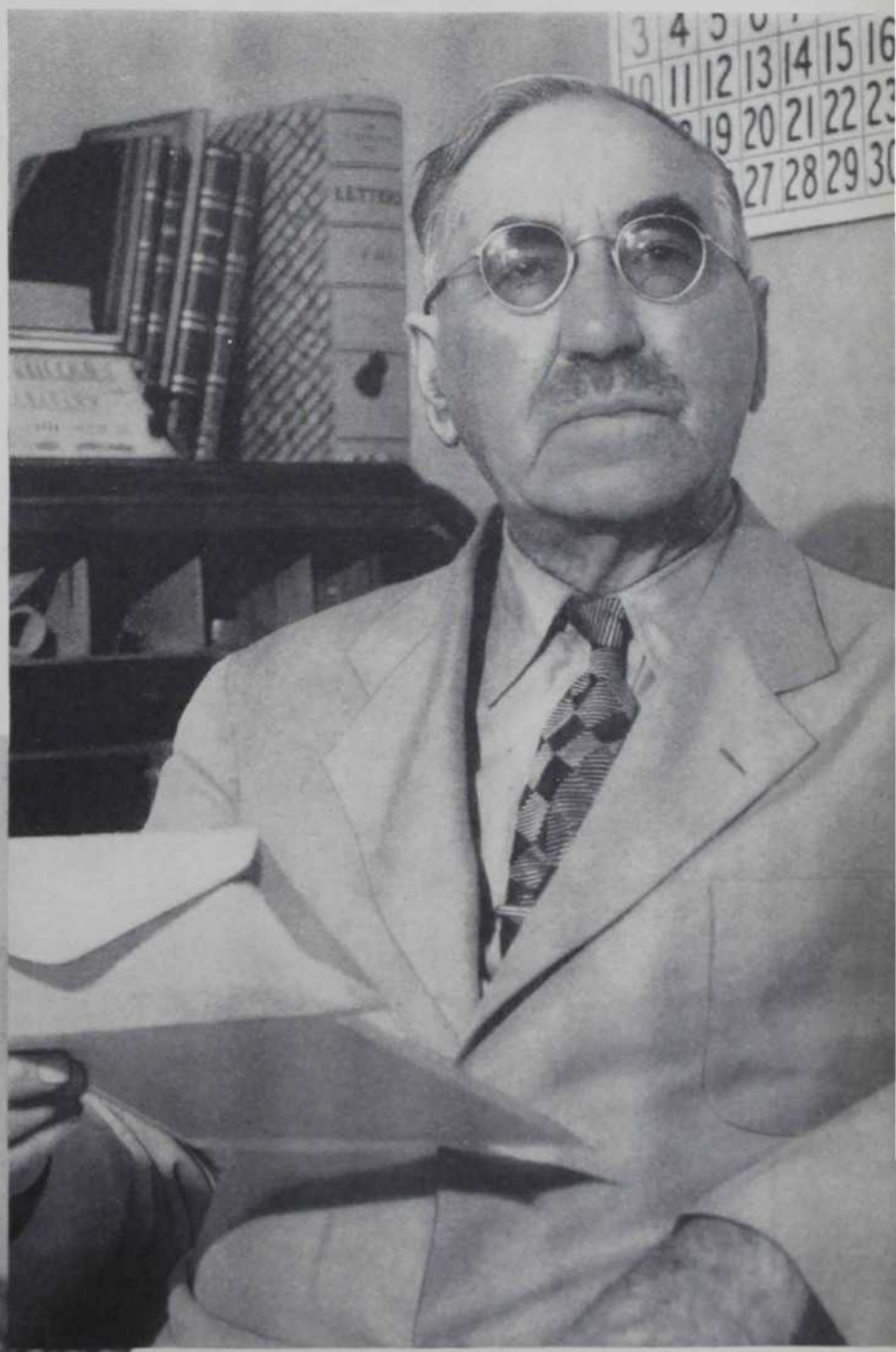
Dust Bowl Heroes Won't Budge

By BLISS ISELY

The term "High Plains" describes that land of alluring mirages stretching eastward from the base of the Rocky Mountains to approximately the One Hundredth Meridian and south from Canada to the Thirty-second Parallel. In this discussion we omit all counties where irrigation, mines and oil wells affect the population trend and this automatically excludes Denver, Laramie, Las Vegas and similarly situated cities.

There remain 211 counties, which include the plains of eastern Montana, Wyoming, Colorado and New Mexico, the western uplands of the Dakotas, Nebraska and Kansas, the narrow Oklahoma Panhandle and the Texas Staked Plains. With an area of 199,488,000 acres, this region is comparable to the present expanse of the 13 original states.

In these 211 counties men are mostly farmers or stockmen or live in trading centers serving farmers and stockmen. Since they depend on rain for life, the fact that 1,651,658 persons still survive in that region will come as a startling surprise to those who remember the news reels of defeated Dust Bowlers in flight; who recall accounts of gunmen, employed by a drama-loving federal administration, shooting thirst-crazed



In 34 years of farming, Albert Weaver has never lost a crop through drouth



Here he is examining pinto beans nearly ready for harvest in a 160 acre field. In addition to wheat he specializes in beans and sorgo

cattle; who have read how 68 black blizzards in a single season engulfed farm houses with writhing dust dunes and conjured up eddying devils to suck life-producing top soil into the clouds and sift it down again upon the Atlantic Seaboard.

Propaganda against the farmers

THE recital of tragedies over eight years has established a belief that man in his "greed for profit" plowed up the buffalo sod and thereby launched deserts on their march. Through propaganda in print and in motion pictures, some of which the federal Administration is distributing to schools, the idea is promulgated that, unless a wise Government arrests blundering man, he will reproduce here another Libya or another Gobi.

On the other hand, the United States Weather Bureau records no appreciable diminution of rainfall since the plow came to the land where grass grows short. Weather men tell us that dry years succeed wet ones in a succession of cycles. Zebulon M. Pike of Pike's Peak fame must have encountered the dry arc of such a cycle when he crossed the Plains in 1806 and reported to President Thomas Jefferson:

> I saw in my route in various places tracts of many leagues where the wind had thrown the sand in all the fanciful forms of the ocean's rolling wave and on which not a speck of vegetable matter existed.

Other early plainsmen corroborated Pike's report until the geographers of a century ago etched the words, "The Great American Desert," across the map east of the mountains. Evidence from tree-ring experts reveals that, as long ago as the Thirteenth Century, a 24-year drouth destroyed the Mesa Verde cliff-dweller culture in the abutting Rockies. Geologists add still further evidence, because a large part of the soil of the plains is *loess*, a powdery dust, formed by prehistoric drouths and winds.

Confronted by scientific truths, we must conclude that the plow did not bring the drouth, especially since a careful check shows that two-thirds of the High Plains are yet clothed with their virgin buffalo sod or gamma grass. But, if drouths continually recur, do they not signify that the Great White Father in Washington should regiment the lives of the profit-motivated plainsmen and settle them on subsistence acres where they will be better fed?

Ask profit-motivated James Winkelman, tenant farmer on the J. J. Buser ranch near Dodge City, Kan. In the speech of the self-styled socially-minded, Winkelman is a share cropper. But he stands on his own legs and practices summer fallowing, which means that he farms only one-half of his fields each year, while the other half, lying idle, accumulates rainfall. The fallowed land is tilled to destroy weeds, which otherwise would drink the precious water, stored for the next year's crops.

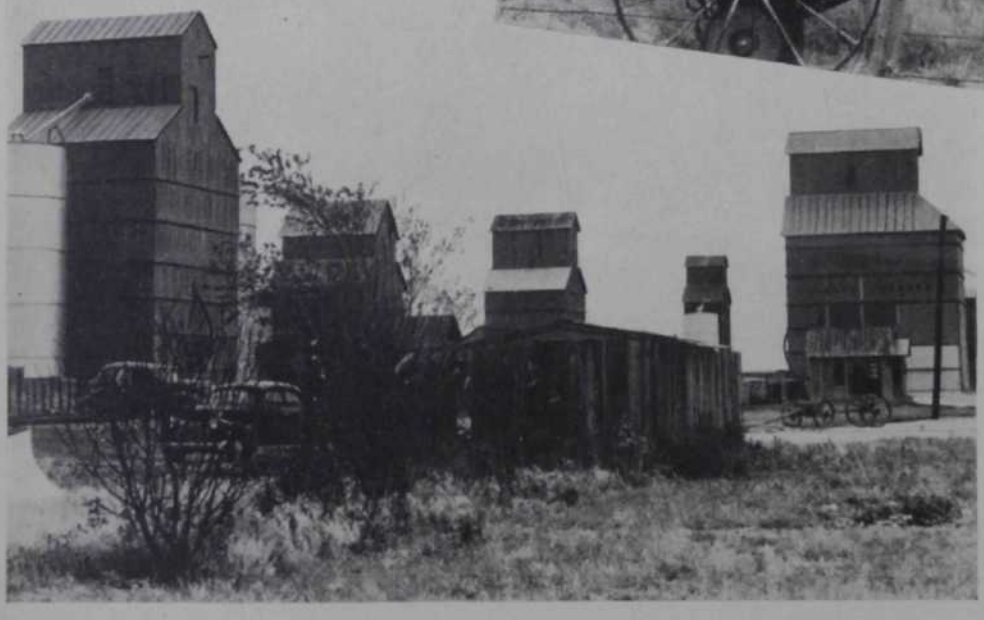
Here is where the loess, that powdery loam formed during bygone drouths, aids Winkelman. Loess is a perfect sponge. As rainwater percolates into the soil, it is captured by the dust particles until every dust atom is encompassed by a wet film, held there a prisoner by surface tension. The only force that can effect the release of that moisture film is penetration by the root hairs of plants coming for a drink. It is true that summer fallowing means that one-half of Winkelman's fields must be idle, but the reward is great!

In eight Dust Bowl years Winkelman's wheat averaged 18.8 bushels to the acre, more than six bushels greater than the national average for these same years. From his share of the profits, Winkelman has bought 640 acres from four farmers who failed

(Continued on page 86)



These eight parked grain drills are only half of those needed in planting season



Bird City, 740, needs five elevators to handle wheat grown nearby. One at right built by Mr. Weaver for his own convenience

Price Control—Our No. 1 Riddle

By J. GEORGE FREDERICK

● GILBERT AND SULLIVAN once set to music the thought

> With constabulary duties to be done, to be done,
> A policeman's lot is not a happy one.

Were they writing today they would certainly agree that a Congressman's lot is not much better.

One hundred thirty million people, bedeviled and perplexed in a maze of shortages and run-away prices, have passed the solution of their problems to 531 Congressmen and Senators. They ask their representatives to come up with an answer to the complexities of human nature itself.

Meanwhile, we are presented with plans galore—the Baruch Plan, the Gore Plan, the Henderson Plan, the Eccles proposal and numberless variations.

Consider three simple situations which have come to the attention of this office within a few days. Then, before believing that another law will settle everything, multiply these instances by infinity:

1 • A manufacturer is running three shifts, day and night, to fulfill government and civilian orders. Suddenly a shortage of materials develops. Suddenly, too, a man appears and says, "I can get you some of that—but you'll have to pay a bonus." What should our manufacturer do—shut down partially, throw labor out of work; or, if the union is strong enough to make him keep three shifts, run more slowly, incur losses, fall behind on bank loans?

2 • A workman's home burns down. Insurance proceeds are not enough to replace his furniture of which he needs $1,000 worth. His credit is good, but he has only $250 in cash. The installment credit rules require him to put up $333.33. What to do? Should he borrow $83.33? Will he not be tempted even to patronize a loan shark?

3 • A salesman is working his territory by car, 300 miles from his home. He works on commission, and pays his own traveling expenses. His battery goes dead, won't re-charge. There is a shortage of batteries. In fact, no dealer in the town where he has been forced to stop has one. But "a certain man" knows where *he* can get one at a premium of five dollars. What shall our salesman do? Live up to the spirit and the letter of the new price control law?

These situations are not exceptional. You will hear of many others. In them lie the seeds of an American Black Bourse.

NATION'S BUSINESS turned to J. George Frederick, who is making a continued study of the course of price-fixing in other countries, to tell us about it. The impulse as one reads his narrative is to condemn the French, German and British violators of their own price control laws. This impulse is strong; even if the reader's wife put away an extra half dozen silk stockings; even if he recently bought new tires and stored them, or a couple of steel shafted golf clubs for next summer's use.

About 1925 the Department of Agriculture reported in a bulletin that extensive research of price-fixing, going back 3,000 years, showed that it had never accomplished its ends. Certainly, the evidence is sufficient to make citizens and legislators approach the problem here with concern and caution, and with a due regard to the old American custom of trying to settle the complexities of trade by legislation.—THE EDITOR

"BLACK MARKET" is the name applied in Europe to the illegal sale of goods. Today such markets are thriving, despite severe measures, in all the conquered countries of Europe—paradoxically with the corrupt connivance of the conqueror—as well as in England and Russia.

They are making their start in the U. S. John L. Haynes of O.P.M. recently told the Associated General Contractors of America that bootleg prices have been bid and asked for steel, copper and other scarce materials. The Government, he said, has been forced to curtail non-defense construction because of this unrestricted bidding in a market where demand exceeds supply by 50 per cent and in some cases more than 300 per cent.

Despite special concentration camps and special 48-hour summary courts to punish traders on the black markets, the business done "in the black" in countries under German domination is estimated reliably to be between ten and 20 per cent of the total volume of trade. If as many people proportionately are engaged elsewhere as are engaged in black markets in Belgium and parts of France, some 125,000 black marketeers are now operating.

Black markets are as ancient as are tyranny and interference with free economy. "Black Rent" levied by native chieftains in Ireland centuries ago, the Black Flags of China after the Taiping Rebellion, the Black Hand of Spain and Italy, and other aberrations of the normal such as the Black Friars and Black Prince, attest to the continuing difficulty of regimenting the rebellious human spirit. The black markets of Europe are attempts, at any price, to escape from the strait-jacket of onerous, often almost intolerable, restrictions. Even under patriotic national necessity, human nature here and there breaks down when severely repressed, especially when food and drink are concerned.

In France, the Germans at first permitted complete freedom of trade. Prices for vegetables, fruits and meats rose quickly to fantastic heights, such as 50 cents for a pound of string beans. When maximum prices were set, goods simply disappeared. To meet this, control of transportation was attempted and supplies were requisitioned. Swiftly France was put under military national price control. Then the black markets appeared.

Boldly, at first, and on a large scale. At Marseilles, entry port for North Af-

rican foods, thousands of tons of rice, cheese, corn meal and macaroni were set aside by black marketeers to be distributed to hoarders at high prices. At Lyons, distributors met and agreed to stop selling sausage and place their goods in a 40-ton cache for secret high price black market manipulation; each distributor putting up a 10,000 franc forfeit to stick to the bargain.

After 12 of these black marketeers were imprisoned, operators apparently decided that unprotected large-size black markets were too great a risk; the Gestapo was too efficient. That advanced black marketing to a second phase. The operators simply paid protection to the German masters.

Thus, at a large canning plant, the black marketeers slipped $50 or $60 a day graft to sergeants who guarded the doors and loaded trucks at night with tons of goods to supply the black markets of Paris. Similar arrangements were set up at cheese and other food processing plants. These larger suppliers of black markets still operate very much as illicit liquor manufacturers did in our prohibition era. Graft is passed up to higher German officials.

Official help in bootlegging

AS OPERATIONS have spread, they have included even the farmer and grower. Since a French cook must have butter his wonders to perform, a scheme has been evolved to get butter for the black markets. A Frenchman with some influence goes to the Ministry of Supplies and says, "You know how hard it is to make the farmers give all their butter to you. Many would rather feed it to the pigs. Just give me a paper authorizing me to buy for the Ministry. All I want is five per cent commission on what I buy. I'll go up to Normandy and bring you truckloads of butter."

As the Ministry earnestly wants to get butter, it obliges, and the agent goes to Normandy with several trucks. He can offer the farmer protection from prosecution because of his certificate to buy, signed by the Ministry.

He delivers to the Ministry a truckload of butter, as promised, bought at the official price of 29 francs per kilo. But he *also* acquires *another* truckload of butter which goes to a clandestine garage, from which the butter will be distributed to the black markets. There buyers will pay 80 francs per kilo!

How does the public patronize the black market? The common man doesn't; he can't afford it. But restaurants, hotels, retail stores have to, or go out of business. Black market agents call on such concerns and on well-to-do families quite as bootleggers in America did. They sell, say, 125 francs' worth, collect the money, and later someone unobtrusively delivers the goods, often with other legitimate purchases. The Frenchman gets to know and trust his black marketeer quite as the American knew and trusted his bootlegger.

If the Frenchman is known to his grocer as a responsible person, he merely asks for what he wants (over and above his regular rationed goods), and it is delivered with the other goods. The grocer has to have his black market connections to keep his trade. All canned goods, for instance, are prohibited, but the French grocer will get them for those who will pay the black market price, which is from 60 to 400 per cent higher than the legal price.

But this does not encompass all the refinements of the French black market! There is a big illicit trade in ration cards. Until recently the ration cards of dead persons were sold, but now the *first* required formality, whenever a death is registered, is to surrender the deceased's food and clothing cards. Counterfeit cards are also used.

Gangsters and hi-jackers have invaded the black market, too; in August an armed band attacked a Marseilles sugar warehouse. Some black market dealers have been known to use a hearse to cart their illicit goods! A camouflaged truck, stopped recently on the road to Paris, had 650 pounds of meat, 97 dozen eggs, 250 pounds of butter, 350 cheese cases, and 1,000 pounds of beans—all black market goods. Meat is scarce on the legal market. The trade in stolen meat is well organized.

Graft for black markets

M. CAZIOT not long ago bitterly denounced the situation, and Jean Achard, Charbin's predecessor, was driven out of office by the black market scandal. The German masters put the screws on more tightly—setting up special concentration camps and 48-hour summary courts to try cases; but meantime the German officials continue to take graft and the black market goes on more or less unabated. In September 40 black marketeers were sentenced to an average of four months imprisonment, and 12,000 francs fine. A large milk company was suspended for three months and operated by the Government, and some milk farmers were "administratively interned." The books of retailers have been ordered examined.

"Mass arrests" also were tried in September, railroad main lines are patrolled day and night since a half ton of wheat was discovered hidden under a locomotive's coal going into Belgium. However, more and more subtlety appears to thwart all attempts at control. A well known Parisian gave a dinner at which chickens were served. His bill for the chickens read 350 francs each, which is normal, but on the bill was also an item "infantry drum, dating from Napoleonic days, 11,000 francs." This was the real payoff, of course, for the chickens!

So loud have become the protests from ordinary folk that the full application of food restriction is being demanded of Vichy, with prison and even the death sentences for large-scale operators. Those in earnest now propose that the *buyers* as well as the sellers in black market be punished. As Georges Claude says, "if there were no buyers there would be no sellers!" Still the black market goes right on! Even the farmers hold produce from the market and operate little black markets of their own, at high prices.

Germany, too, has a thriving black market, despite the fact that operators, when convicted, get eight years at hard labor; in Austria the penalty ranges from eight months to 3½ years. Foods are withheld secretly from German administrators, reports the Economic Welfare Ministry of London (which investigated Germany's black market situation). Cattle are slaughtered secretly and sold at high prices. A watered milk racket was exposed in Hamburg (another in Italy). Stolen meat is traded in; geese can be had at far more than the legal price. Innkeepers can't make ends meet if they charge only the 50 pfennigs allowed for a goose dinner, so they operate a little trick of their own, charging 50 pfennigs more for the soup and 50 for the potatoes.

The farmers disobey the law requiring them to deliver all milk to government dairies. At night they churn some butter for their own and for some others' use. The efficiently operated German rationing system has many loopholes for the wealthy, especially for luxuries and scarcer staples.

In September Berlin witnessed a city-wide drive against the restaurants' particular form of black marketeering, high prices for food, beer, liquor. Fines of 8,000 and 18,000 marks were imposed. Particularly severe sentences (seven to ten years' penal servitude) were meted out in September to black marketeers of all kinds, and large posters in the market halls and open markets reported these sobering punishments. One man sentenced had forged the lists of "heavy workers" (who get additional food cards), and then had sold the cards at two marks, 50 pfennigs per set to dealers in meats and fats, who had, in turn, supplied their special private lists of favored customers, charging ten marks per pound for butter (legal price less than two marks).

In Belgium and Holland black markets rage. Huge seizures were made in Belgium early in 1941, and it was estimated that 2,500 persons were engaged in black marketeering in little Belgium alone, affecting totals of 400,000 eggs, 65,000 pounds of meat, also coffee and salad oil. The Germans impose fines as

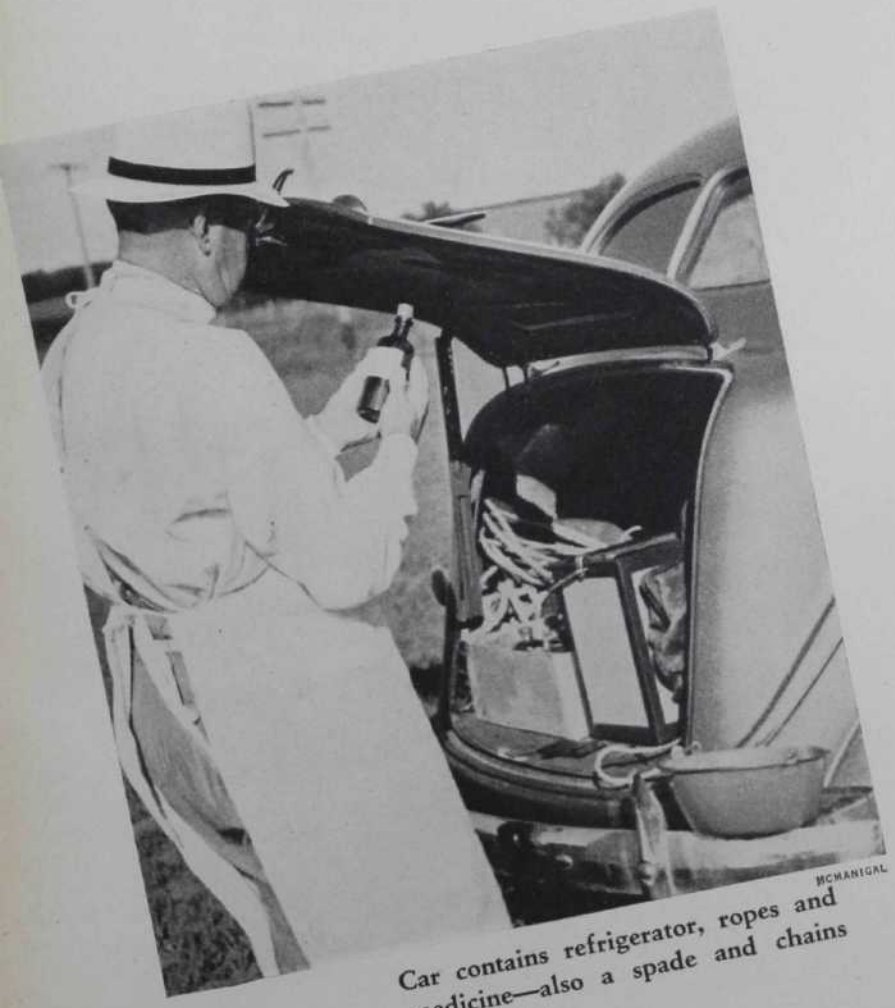
(Continued on page 84)



Cooper Curtice, pioneer vet, discovered cause of tick fever

The First Line of Public Health

By DOROTHY WALKER and AMY SCHAEFFER



Car contains refrigerator, ropes and medicine—also a spade and chains

YOUR community may have been saved from an epidemic by the quick work of a veterinarian who checked a communicable disease

IT IS well after midnight. A telephone rings and a sleepy young man answers. Instantly he is alert. He dresses quickly, snatches up his bag, jumps into his car and speeds ten miles to a farmhouse where the lights are still burning.

A country doctor? Yes, but the initials after his name are D.V.M.—Doctor of Veterinary Medicine. He is one of America's 12,000 healers of the animal sick, and in the predawn hours he is racing to save the life of a cow stricken with milk fever. Every minute counts. In calving, the cow's normal calcium supply has been dangerously reduced. Unless the doctor arrives in time she will die.

The farmer leads him to the stall of the sinking animal. The veterinarian confirms his diagnosis, opens his bag and fits together a hypodermic tube and sterile needle. He swabs the cow's flank, injects a vial full of calcium glucinate under the hide and steps back.

A miracle could be performed no more quickly. In a minute or so the dying cow rises briskly

to her feet, her eyes clear, her breathing normal. The calcium injection has restored the vital calcium balance in her body. She rummages for leftover fodder as the veterinarian repacks his instruments.

So an animal's life has been saved by one of that small band of men whose constant vigil insures the health of America's vast animal population. There are 597,423,000 sheep, horses, mules, hogs, cattle and chickens in this country, worth more than $5,000,000,000 on the national ledgers. But their value doesn't stop there.

The milk, meat and eggs Americans consume come from these animals. They help to work the farms. They provide the factories with wool and leather and by-products. All of them are subject to diseases that can be transferred either to human beings or to their fellows.

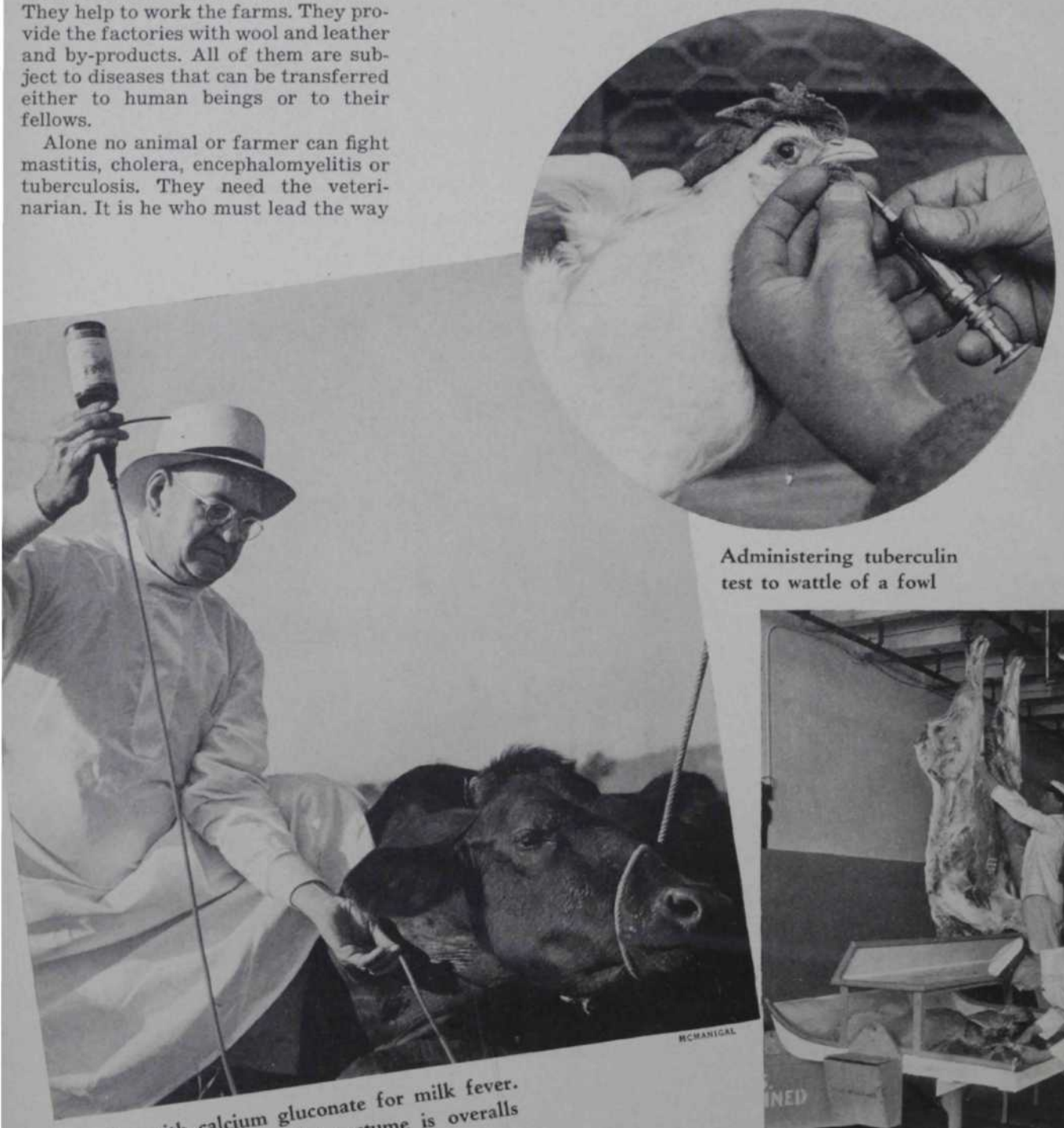
Alone no animal or farmer can fight mastitis, cholera, encephalomyelitis or tuberculosis. They need the veterinarian. It is he who must lead the way with preventive medicine, must beat back the insidious infections which can engulf them and endanger human life.

The D.V.M.'s work on two broad fronts. A group of 2,000 of them maintain patrol as members of the Federal Government's Bureau of Animal Industry. They inspect the holds of incoming ships down to the last wisp of straw and quarantine all incoming animals and animal products like hairbrushes. The meat destined for the nation's tables must undergo their careful scrutiny.

The balance of the control falls on the shoulders of the country practitioners. They test and retest the country's cows so that American children can drink milk without fear of tuberculosis or strep sore throats. They vaccinate cattle against anthrax, the germ of which can be transferred to humans by handling hides or carcasses. They prevent, control, or eliminate the diseases that can wipe out a whole flock of poultry.

Many of their preventive measures and regular examinations are routine calendar events. But a special day may

(Continued on page 62)



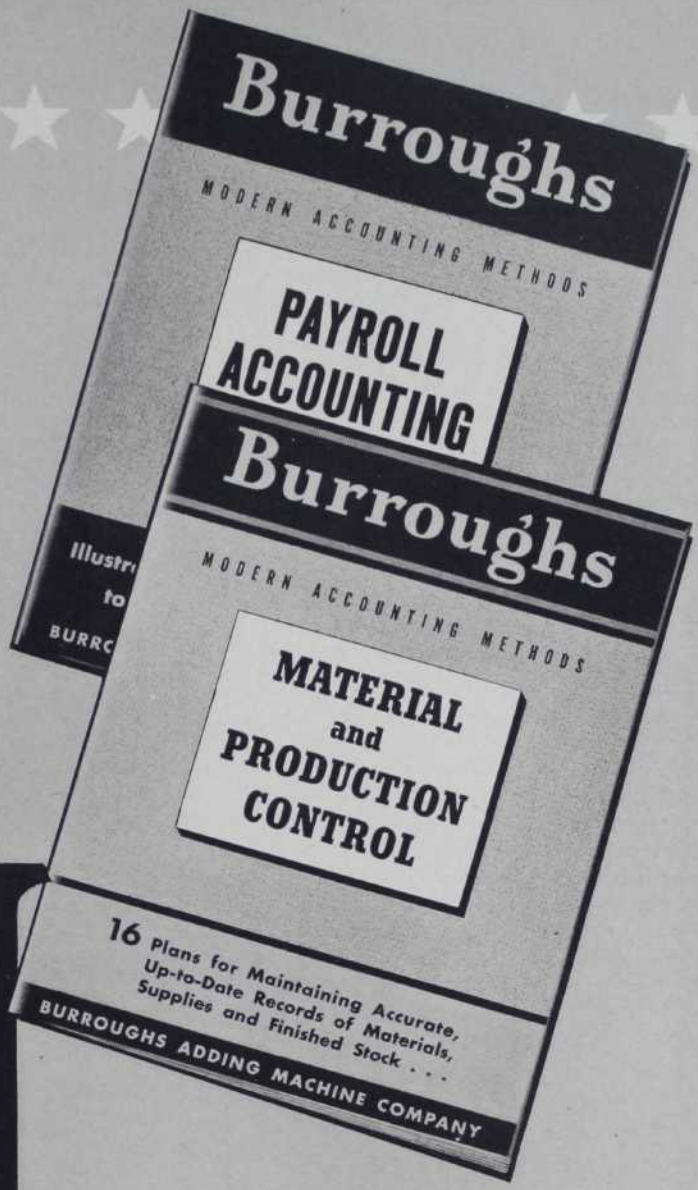
Administering tuberculin test to wattle of a fowl

Treating with calcium gluconate for milk fever. This vet is doggy—regular costume is overalls

Veterinary inspectors examine beef carcass and organs at a slaughter house

Eight of the most commonly used plans for handling payrolls and providing figures for Social Security and wage statistical reports are illustrated in this booklet. These plans are adaptable to any size and type of business.

This booklet illustrates sixteen of the most practical material and production control plans used in business today. The plans vary according to the needs of each type of business.



FIGURES are vital to DEFENSE PRODUCTION

Less in the public mind than the machinery of production—but equally vital to the national defense effort—is the machinery of control that handles the payrolls, expedites the movement of men and materials, and furnishes statistical information on which to base quick decisions.

Both industry and government rely on Burroughs machines to supply such information while it is news, not history—and to do it in less time, with less effort, at less cost.

The booklets illustrated above have already helped hundreds of others. Write for your gratis copies today.

Today's
Burroughs

DOES THE WORK IN LESS TIME • WITH LESS EFFORT • AT LESS COST

Burroughs Adding Machine Company
6827 Second Avenue, Detroit, Mich.

I should like the payroll accounting booklet ☐; material and production control booklet ☐.

Name_____

Street_____

City_____

Go-Getter for the Little Man



FROM Wall Street comes Floyd B. Odlum, marketeer extraordinary, with subsidies to protect those who otherwise would get no share of the nation's defense business

DOWN at the far end of a corridor in the block square building which houses the O.P.M. sits Floyd Bostwick Odlum, a wiry man with thinning, sandy hair; sensitive, nervously energetic. His belted trousers invariably hang below the tip of his vest. He is 49.

On Odlum's slim shoulders rests the payless—possibly thankless—job of relieving small industry from the blight the war boom has placed upon it. He does not need the pay. His personal fortune is estimated at between $4,000,000 and $5,000,000 and his income from Atlas Corporation $100,000 a year. Probably he doesn't need the thanks, either. If he had paid much attention to public opinion, he would not have the $5,000,000. He earned it by going into the market and buying when public opinion agreed it was time to sell.

That began in 1923. Odlum had come to New York from Utah in 1917 to take a $100-a-month job with the law firm of Simpson, Thacher and Bartlett.

Six years later, he and a fellow member of the firm, George H. Howard, with their wives, made up a speculative pool of $40,000. This pool has now spread into the Atlas Corporation, with assets of more than $100,000,000 and 75,000 stockholders.

A Wall Streeter whose firm's operations in bonds and stocks require the services of 40 brokerage houses, Odlum played ball with the New Deal from the beginning. Instead of joining the managers of investment trusts who were fighting government regulation, he appeared before the Securities and Exchange Commission and said they needed it. He has been a contributor to the Roosevelt campaigns and a friend of such New Dealers as Jerome Frank, now a federal judge but formerly chairman of S.E.C., and Leon Henderson, price administrator and administrator of consumer supplies. Adaptable, he dropped the word "utilities" from the name of his investment trust when the war on the utilities seemed imminent.

In spite of these qualifications, he was not first choice for the job of helping little business. Several others had been sought, including Douglas Miller, the author of "You Can't Do Business with Hitler." Miller explained that, inasmuch as he had been abroad 20 years or more, the problems of little industry in this country were among the things he knew least about.

Associated with Odlum in the new job are Sidney Weinberg, a partner in Goldman Sachs, and Ed Weisel, Chicago lawyer. Weinberg is not only an inseparable companion but a vocative admirer. He was tremendously impressed when Odlum picked up the $22,500,000 Goldman Sachs Trading Corporation at a bargain price. Now, at every opportunity in a business meeting or a social gathering, he points admiringly at his boss and chants: "50 cents on the Dollar Odlum."

Washington's official atmosphere is reeking with the plight of thousands of small industries denied materials on which to operate and unable to get defense contracts. It has been estimated that the full impact of priorities may close down as many as 5,000 plants. Such authorities as Leon Henderson

(Continued on page 68)

What an Agency System looks like



1. Metropolitan Life Insurance Company has nearly 29,000,000 policyholders in the United States and Canada. To serve these policyholders in their own localities requires a highly efficient system. Experience has shown the Agency System to be the most effective and economical.



2. This is the Tower of Metropolitan's Home Office building in New York City. The headquarters for Metropolitan's Agency System are located in this building. In addition, there are two Head Offices, one in Ottawa, Canada, and the other in San Francisco.

3. Metropolitan has divided the United States and Canada into 10 Territories. Each is headed by a Superintendent of Agencies who supervises field service to policyholders, conservation of existing insurance, and production of new business in his territory.



4. This shows a typical District Office, the hub of the Agency System. Territories are divided into Districts, each in charge of a manager who, in addition to his other duties, supervises the work of the agents. The District Office, with its manager, assistant managers, agents, and office clerks, might be called a "service station" for local policyholders.



5. Scenes such as this educational meeting for fieldmen are common in District Offices. Field Training Instructors, who assist in this educational work to improve Metropolitan's service, operate from the Home and Head Offices, but in the field they work under the Superintendent of Agencies of the Territory to which they are assigned.

6. Assistant managers, besides their office work, help to train agents to serve existing policyholders, analyze insurance needs, and sell insurance to fill those needs. They try to visit, with the agents, as many policyholders as possible in the District at least once a year.

7. Districts are divided into smaller areas known as Debits, each in charge of an agent, who serves the policyholders living in his Debit. The size of a Debit is the result of what experience has shown to be the most efficient operating unit in the light of local conditions.



8. Metropolitan has, in the United States and Canada, about 19,000 agents, 2,500 assistant managers, and 850 managers, as well as 5,700 office clerks. Through them the Company maintains direct and constant contact with policyholders . . . one of the chief means of seeing that Metropolitan policyholders are served faithfully and well.

COPYRIGHT 1941—METROPOLITAN LIFE INSURANCE COMPANY

This is Number 43 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD — *Leroy A. Lincoln,* PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Washington



and Your Business

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

What's Under the Hat?

CONGRESSMEN are disposed to walk around the newly proposed Social Security plan. It may be only a practically holy proposition to make the lives of an estimated 27,000,000 more Americans more secure. Or in the words of one doubter:



It may be another gold brick under an iron hat.

The rough outlines of the end-plan—not the one now talked of but the one now being shaped in administrative studies—call for Social Security identification cards for every one of us, sickness, unemployment and accident benefits, with retirement pay for each of us at the age of 65. The 51 state and territorial unemployment funds of the present would be swept into the federal Treasury. Pay roll tax rates would be increased slightly. Having in mind that, under this plan, all the gravy would come from the federal Government for every man-jack of us, the doubters wonder what would become of the Constitution, Congress, the two-party system and the states. End-plan is bigger than you think.

Melba Toast for the Masses

THE doubters fear the end-plan is Sheridan Downey's ham-and-eggs stepped up to caviar and honey. They are not certain how far congressmen in the 1942 reelection year will resist the impact of the old folks, the working folks, the uncertain ones who fear what may come after the war, the confused people who are conditioned to loose billions. A reasonable assumption is that under the end-plan, the federal Government would take over the life insurance companies. There has at least been discussion on granting idle insurance to every one, including the constantly unemployed, the loafers, the sick and others who cannot pay.

Alarm Felt About Taxes



LETTERS are flooding congressmen about taxes. Few of the writers object to paying whatever is needed for defense, but the complaint against needless spending by the federal Government is growing. This has been stepped up by Comptroller General Lindsay Warren's criticism of N.Y.A. and C.C.C. Congress knows Warren as a tough-minded former member of the House who often poured acid on the porkpie boys and had a hard eye for payrollers. The statement of the U.S. Chamber of Commerce that American *per capita* taxes are now greater than those of Great Britain neatly coincided with Budget Director Smith's prediction that 1942's all-over spending will touch $2,000,000,000 a month. Other spokesmen of the Administration say it will run to $3,000,000,000 a month if places can be found to spend the money.

Spotlight on Warren

COMPTROLLER General Warren found fault with the manner in which the National Youth Administration is spending its money:

"It's none of his business" said Administrator Aubrey Williams angrily.

A good many congressmen think that the spending of government money is distinctly the business of the Comptroller General. Congress set up the General Accounting Office to do that very thing. Apart from the merits of the present controversy the effect has been to center attention on the refusal of many government bureaus to make an accounting to the Comptroller General. Senator Byrd has reported on this fact with the cold heat of which he is a master when commenting on government wasting.

Up to His Neck in Russians

STATE Department thinks the Russian armies will ultimately be defeated by the Nazis, but that Hitler will then find himself in the predicament of the hunter who couldn't let go of the bear. If he must police millions of unproductive acres inhabited by violently noncooperative Russians his forces will be weakened. If he gives it up as a bad job and tries to get out it will be worse.

Morale Only Needed a Job

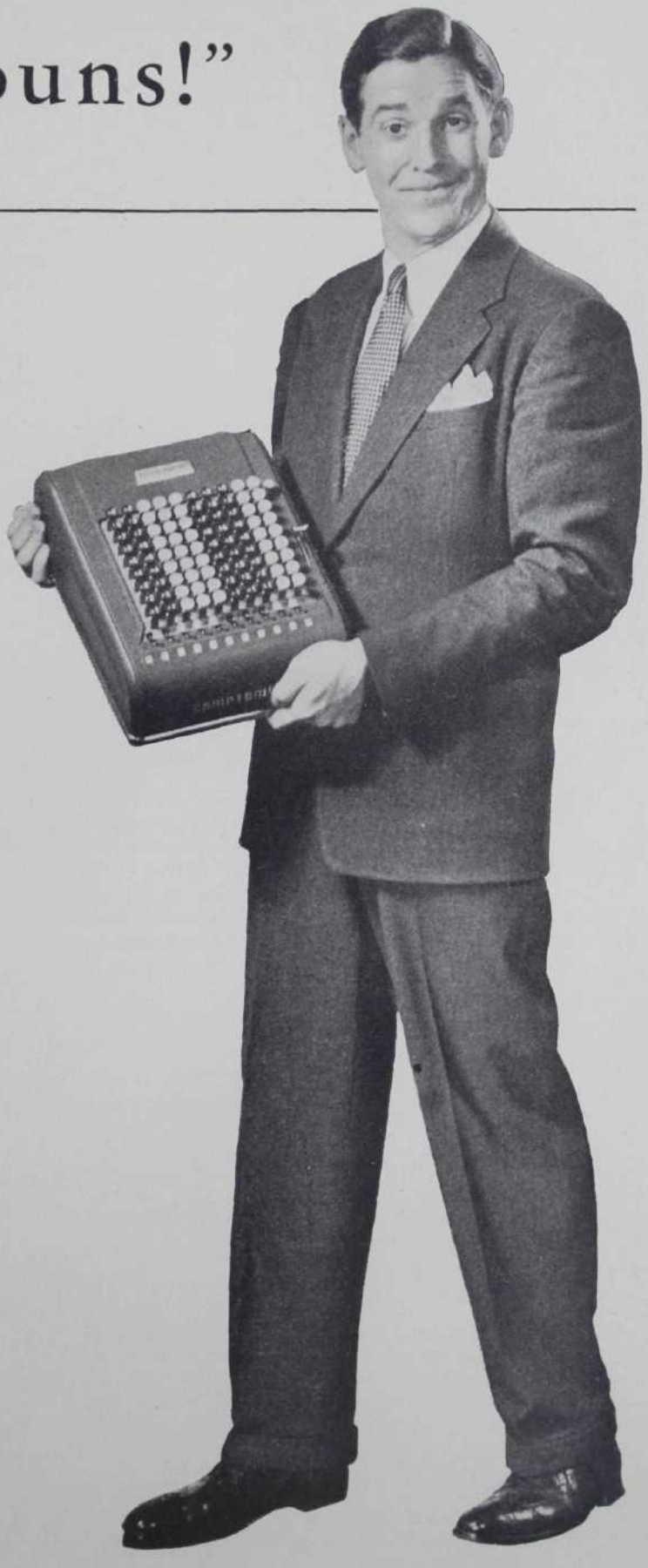
ARMY is pleased with the showing the new men made in the mud battles down South. No Army man could be thumb-screwed into making the admission publicly, but practically every ranking officer thinks that, if Mamma and the Girls would only stop squawking about the need for recreation, dancing girls and more movies, the new Army would get along all right. They point out that an Army which puts pounds on its new men in two months and provides them with nine sheets and six blankets for their beds is as motherly as need be. If the Army were given the guns and rifles and tanks and ammunition it needs it would fairly bust with morale.

New Tune Is Being Piped

NOT long ago the small business man rated with taxpayers and Ute sheepherders around Washington.

"We must suffer" was the Washington tune. "We must grow lean and hard. We must make sacrifices."

"My Boss makes the lousiest puns!"



"Funny thing, how every hard-boiled business man has at least one weakness. My boss's is over-ripe puns.

"Well, for instance: my job's been so much easier since they installed those new Model M Comptometers that the other day I couldn't help telling him how much we birds on the figure-work firing-line liked them. I started to deliver an oration on the Controlled-Key safeguard, and how it gives us phenomenal *first-time accuracy* by eliminating operating errors, and the amazing *speed* of those machines, and the *ease of operation*—

" 'Hold on, young man!' the Boss said. 'I got my start in this business operating a Comptometer —before you were born! Maybe it didn't have all those improvements you mention, but, believe me, it was the best adding-calculating machine *then,* and you don't have to tell me it's *still* the best!'

"And then I saw the Boss's eyebrow twitch, like it does when he feels a corny pun coming on.

" 'Yes sir!' he said, poking me in the ribs. '*You can always count on Comptometers!*' "

• • •

Your local Comptometer Co. man will gladly demonstrate (in your office, on your specific problems) how Comptometer adding-calculating *machines* and modern Comptometer *methods* handle *more figure work in less time at lower cost.* Telephone him . . . or write direct to Felt & Tarrant Mfg. Co., 1712 N. Paulina St., Chicago, Ill.

COMPTOMETER

REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES

Then the s.b.m. went into action. He spoke to his congressman in a hard way. The U.S. Chamber of Commerce and the National Association of Manufacturers and other organizations produced facts. The s.b.m. was being called on to suffer not so much in the cause of humanity and the democracies as because of the confusion and crosstalk at Washington. Nowadays a real desire to aid him is being written. The Administration's press agencies are feverish over his welfare.

Between Hammer and Anvil

COLD fact is that the small business man is and will be right up against it. There are not enough materials in hand or in sight to keep the small industries going.



Some small factories will get war contracts and do very well. If essential enough, they may even get subsidies. More will freeze out. Some will fingernail into a shaky safety.

"We won't hurt more than we must," says forthright Donald Nelson. "We must hurt some."

The war bull is in the industrial china shop. If American industry had only had the needs of American defense to provide, the current belief is that the job could have been well done. Business could not have gone on as usual, but at least it would have gone on. The burden of providing against international war needs set up shortages in literally thousands of items.

Business Men Taking Hold

BUSINESS men are slowly getting control of the program for the sole reason that the academicians lacked savvy. Army and Navy will lose control of their own buying if they do not begin to show a little stuff. There are shakeups in sight in some of the alphabeted organizations. Army and Navy and some of the big industrial concerns are being compelled to eat into their stockpiles instead of gumming up the market by buying more materials. Subcontracting is being forced by hand-on-the-neck methods and contract provisions are being relaxed. Donald Nelson and Floyd Odlum are running their shows without interference. Understood that is a part of their contracts.

It Has Happened Before

REMAINS to be seen what if anything will happen to C. F. Palmer, coordinator of defense housing. Nelson thought he had control of housing through priorities, but Palmer coaxed the President into signing a letter which stopped Nelson dead. Lots of superstition in S.P.A.B. Those who have most admired Nelson's ability fear the Indian sign may be on him.

Double Talk Being Heard

EVERY one fears inflation. As many differing opinions among defense program heads as there are feathers in a high wind. Economists outside the circle practically unanimous that inflation can only be checked if wages and farm prices are controlled. Ask any housewife if inflation isn't here now.

Hillman Caught in the Pincers

SIDNEY HILLMAN, labor boss of the O.P.M., a C.I.O. man by membership and salary, nevertheless granted the A.F. of L. a monopoly in certain classes of defense jobs. Notably the Currier case, in which Currier's C.I.O. workers were elbowed out by the A.F. of L. unionists, at a cost to the government of $400,000.

The explanation is that the administration has not dared ask for authority to control wages.

"We won't stand for it" said the A.F. of L. "But if you give us a monopoly in certain lines we'll stabilize wages for you. We are patriots, and we fully understand that a runaway wage scale would bring on inflation."

So the deal was made.

"Because if you don't give us a monopoly we'll ——"

Ask Hillman what the A.F. of L. said.

Skulduggery Is Rampaging

IF the stories that come in are dependable—and they seem to be—a good deal of dealing from the bottom is being practiced. Racketeers are shaking down business men, rivals in business are using unfair methods, and union rules are slowing down production. Not many such cases against the total of establishments, but too many. Business men who suffer are advised to go to bat in Washington, with Floyd Odlum and his contract division, Donald Nelson of S.P.A.B. or Thurman Arnold of the Department of Justice.

Try using long distance instead of coming to Washington or writing letters. It's surprising how much action can be had at the cost of a few dollars.

Utilities on a Honeymoon



THE utility companies are enjoying a brief honeymoon, but they expect Mother to move back into the front room soon. For the present they can sell every kilowatt they can produce. They have sales ahead for all they can produce in the future. R.F.C. will finance them at cut rates. They are on the "essential" list and so they get allocations for the materials they need when they can locate them. But next year's taxes will soon be on their shoulders and year after next's taxes will be worse and they are afraid the set-up is for the Government to take over some of the best of them when the war is over. There isn't a utility man in the United States who has dared look into the bottom of his teacup for weeks past.

Bigger Army Is Coming

FOR all the talk of slowing down recruiting and conscription, a 4,000,000 man army is still on the plan. In 1943 look for an A.E.F. somewhere. Washington is working on the theory that we are in for a long war.

Hearing Nothing About Everything

UNIVERSAL complaint is that the Administration doesn't tell. Open diplomacy never did work, if the truth is to be told, but there is a line somewhere between too great candor and guess-provoking secrecy.

There is, for example, a belief widely held in Washington that Great Britain and the United States are approaching the formulation of an alliance. Whether Congress would ever assent to that is at least doubtful. Story based entirely on the repeated hints that after the war the world must be policed to make sure of peace.



The outpost's job takes nerve. His telephone is a terminal of the nerve system of the army behind him. What his commander does depends largely on information he telephones.

"Enemy tanks advancing on bridgehead"

The telephone is vital to you in business and home, but to the army in the field it may mean the difference between defeat and victory.

It is the reliable messenger, delivering in a flash information that enables the brains of infantry, artillery, tank corps and air force to direct their operations with sure control.

To make telephones that perform under these difficult field conditions, Western Electric began to qualify sixty years ago. Then this Company became the chief source of supply for the entire Bell Telephone System.

Ever since, it has led the world in the production of dependable telephone apparatus. It has built up a coordinated group of plants and a nationwide system of delivering the goods where and when needed.

Now when your Bell Telephone Company and the Army and the Navy are calling for more telephones and switchboards and wire and cable, Western Electric is responding with expanded facilities and man power to meet these defense needs.



To make sure the field telephone won't let the soldier down, Western Electric gives it many tests—including the talk-test shown.

Western Electric *. . . is back of your Bell Telephone service*

Signals Are Crossed Up

IN Washington it is urged that with the Axis's sea and air arms disposed of such an alliance could control world trade at a presumable profit. But in London Prof. Harold J. Laski, who speaks with authority, says that:

> I speak for the entire body of economists when I say that we are looking forward to a period of friendly cooperation between the European states.

He says nothing of policing the world, or of managing the affairs of the Latin American states. Nelson Rockefeller, coordinator of good relations with South America, would agree that the least said along that line the better. Latin American countries are more friendly than they have ever been, they want to do business with us, and they will cooperate up to a point. They have made it clear that they propose to manage their own business affairs and preserve their national identities.

Gold Might Go South

STATE Department is listening with interest to the suggestion of D. Stewart Iglehart, president of W. R. Grace and Company, that enough gold be provided the central banks of Latin America to sustain gold exchange inside the U. S.-Latin American area. He thinks $250,000,000 would do it.

"Little by little the prestige of the pound has dropped throughout the world," said Raul Simon, managing director of the Grace interests in Chile and former director of the Chilean budget. "The dollar might take its place."

They urge that gold-backed currencies would make U. S.-L. A. trade more convenient and be a strong buckler against the aski-marks, in the event that we must meet government competition after the war. We not only have $20,000,000,000 in gold in the Kentucky cave, but the F.W.A. is so dissatisfied with the situation that it will not lend money to further the placer mining of more gold.

Pity the Poor Senators!

SENATOR O'Daniels of Texas gave his mates in the Upper House a treatment.

"In Texas," said he, "we have a law which tends to stop force and violence in labor disputes."



He introduced a bill along the lines of the Texas measure. Nothing happened in an emphatic way. O'Daniels re-introduced it. Silence reverberated. Mr. O'Daniels laid down the biscuits in which he has been specializing and picked up a dornick instead.

"It is a disgrace to the American people that we have a Government in Washington which permits what it has apparently permitted to be done in the shipbuilding yards at Kearny. If we admit such action to be legitimate, we would have a universal closed shop in America. No man could work except by permission of the labor racketeers. There is not a man in the U.S. Senate who does not know that free men are being beaten over the head with clubs by union labor leaders or their thugs for seeking to work at jobs of their own choosing. . . ."

Few senators, he said, desire to discuss these facts or do anything about them. So he introduced a joint resolution calling for a constitutional convention to frame an amendment to the Constitution assuring to every man "freedom to work." If "racketeering by labor leaders is not stopped our democracy will perish." The silence of the Senate has risen to new heights.

Out of the Top Drawer

STATE Department does not believe that Japan will declare war against us. But admits situation shakes from time to time. . . . Left wingers are again after J. Edgar Hoover of the F.B.I. He seems to be safe. . . . Col. "Wild Bill" Donovan is operating a super-State Department in miniature. Gathers information and frames policies for submission to "The Chief." Storm signals flying from time to time in the vicinity of Cordell Hull. . . . Tommy Corcoran was all set to become Solicitor General. Then attacks on his relations with the Government on the one hand and business with the other queered him. . . . Read what Senator Wiley (R., Wis.) said about ex-office holders who capitalize their friendships. Page 7763 of the *Congressional Record*. . . . Agriculture Department calling for more cheese for Britain. But we have four times as much cheese in storage as was sent to Britain this year. 41,000,000 pounds more than the five-year average. . . . Marriner Eccles will ask authority to raise reserve requirements of F.R. banks to prevent inflation. Other authorities say that would be a straw in the wind. . . . Price control law in December. Maybe January. . . .

Whirling in the Maelstrom



FEDERAL pay roll now touches 1,400,000. Twice the world war peak. . . . Dutch and English oil companies refuse to yield to Mexican expropriation of their properties. . . . They hope to regain them sometime. . . . American oil companies may sell out in return for American dollars lent to Mexico by the R.F.C. . . . Hotel charges upped an average ten per cent to meet rising costs of labor and taxes. . . . Sugar men say no shortage is feared. . . . Up pricing of farm lands largely due to corporation buying. . . . Family-size farms moving slowly. . . . So many farm tractors have been lend-leased to Britain that in many states salable supply has been cut by three quarters. . . . This suits Agriculture Department, which is frowning on field crops and urging dairy increase and vegetable growing. . . . National Association of Shirt and Pajama Manufacturers urges simplification of shirts. For cripes' sake! . . . Investment bankers say S.E.C.'s order that small corporations must comply with rules governing issue of prospectus preceding sale of stock is not workable. The cost is too much. . . . "A part of the process of centralization," the bankers say. "Washington wants to run everything." . . . Steel authorities say no steel shortage is to be feared, "if defense program is directed in a businesslike way." . . . More worms promised in eating apples next year. Chemicals for spraying are short. . . . Five sets of officials now authorized to go through business books to determine priority rights. . . . Moonshining picking up because of new liquor taxes. . . . Moonshiner's handicap is that he can't get priority for copper for a new still.

Herbert Corey

Seagoing Classrooms

By ANDREW R. BOONE



Capt. Petrelius greets a few "sponsors" before taking them on a tour of his ship



ALL PHOTOS BY ANDREW R. BOONE

Students learn about sugar production from a model which they built in the classroom. "Their" ship carries sugar

PERHAPS you could follow world affairs more intelligently if an "adopted" ship and friendly captain had helped you study geography

SOMEWHERE off the eastern shore of South America, enroute to Rio de Janeiro, the freighter *Mormacstar* plows steadily southward as this is written. Her skipper, E. H. Petrelius, whose job until now has been to run ships, not write about them, labors over a long sheet of yellow paper. Below, five holds are filled with nearly 10,000 tons of assorted cargo. In a few days, those products of American agriculture and industry will be winched onto Brazilian docks; and shortly, the *Mormacstar* will head north again, carrying South American goods to California.

This simple sequence represents foreign trade. But what, and to whom, is the master writing? Not a log of the ship's progress or a report to the General Manager. He is penning a letter to several groups of school children in Los Angeles County, Calif. He writes:

By an act of Congress in 1936, the United States Maritime Commission was created to rebuild our merchant marine. Standard designs were decided upon to reduce the cost of construction. A goal of 500 ships was set to be completed in ten years. Once again our shipyards began to hum with activity and the ships started to slide down the ways. What ships they are . . . fast and modern in every detail.

He goes on to describe his own vessel, how she was electrically welded, how an electric fathometer takes constant soundings when running through fog, how the pilot steers an accurate course by "Iron Mike," the cargo she carries, where it came from and where it is bound. He concludes:

The opportunity of visiting your classroom was an unusual experience for me. Please feel that the ship and her captain are your friends, eager to enlist your interest in the larger interest of the country we are all so proud to serve.

Petrelius is one of six captains plying Southern American routes who report regularly to their young correspondents. All their ships have been "adopted." In three-score classrooms from Los Angeles to Oklahoma City, the

youngsters chart the courses of their respective vessels. On the walls are large colored maps of Central and South America, made by the students, models and figures indicating the principal products of each country.

Education for foreign trade

TOY boats are moved day by day, showing the exact position of each ship. Scores of children are drawing colored pictures depicting agricultural and mechanical processes. The children write to the captains, and the captains write to the children. At intervals, when time permits, the masters visit the classrooms to give first-hand accounts of their voyages, changing economic conditions and true, up-to-the-minute tales of foreign customs. Petrelius alone brings his story to 30 classes.

There's more than meets the casual eye in this program. Men concerned with the everyday business of manufacturing goods, getting them sold and shipped to foreign nations, developing harbor facilities for increased trade after the war, providing jobs for the growing population of Southern California, admittedly are selling enlightenment to 2,500 youngsters who in another few years will be voting and working at jobs which turn out goods to be moved hither and yon.

Theirs is not a selfish point of view. Rather, they're engaged in long-range planning. It isn't so long-range, at that, when measured in terms of community building. Twenty-five hundred pupils isn't necessarily an accurate figure either. Two years ago, one class of 45 adopted a ship. Last year, 15 classes with 500 were following various vessels around the world. This year, 60 classes and 2,500 pupils are engaged (including one in Arizona and two in Oklahoma). So enthusiastic are all concerned, from pupils and teachers to their business associates, that the sponsors expect that, next year, fully 100 classes and 5,000 'teen-agers will be prying into the mysteries of shipping, foreign trading, and navigation and customs of distant peoples.

Ship adoption, American style, began to take shape late in 1938. Unlike some movements whose nebulous beginnings can be traced only with difficulty, this one started with a letter written by Arthur K. Allpress, master of the Childeric Road School at New Cross, London, to Clarence H. Matson, manager of the foreign trade department, Los Angeles Chamber of Commerce.

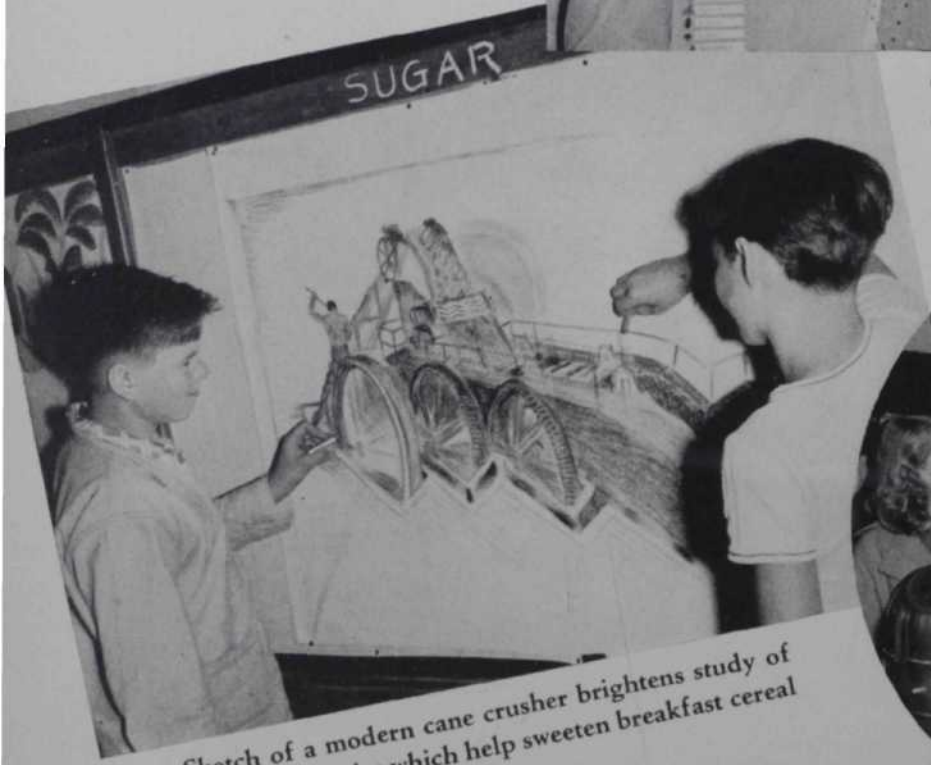
We are trying to "put life" into our lessons by having the students follow the voyages of the *S. S. Beckenham.*

This ship had put into Los Angeles harbor some weeks earlier to pick up a general cargo for Liverpool. Her captain, it developed, had mailed a letter to the school in England describing his voyage, the various ports he had touched and something about the cargo.

(Continued on page 52)



Charting the course of an "adopted" ship increases interest in world trade and geography



Sketch of a modern cane crusher brightens study of foreign countries which help sweeten breakfast cereal



Questions show interest as students tour ship



MOBILIZED *for Service to Business*

in saving brain hours and hand hours and creating new production hours

For greater service to users of our products, we have enlarged our Methods Department and broadened its activities. *A wealth of practical methods information is quickly available to you.* • Uses of Addressograph-Multigraph methods and equipment have expanded rapidly during recent years—and are being increased constantly by research of users' needs and experiences, in close cooperation with experienced engineering.

All users of Addressograph-Multigraph products who are interested in receiving methods information are invited to write us. You are entitled to this service for which there is no charge.

ADDRESSOGRAPH-MULTIGRAPH CORPORATION • *Cleveland, Ohio*

SHOULDER TO SHOULDER WITH YOU IN AMERICA'S DEFENSE



Suddenly he found he couldn't get clock-spring steel any more

Brains vs. Priorities

By JAMES H. COLLINS

RETOOLING plants for a defense effort is a big job but retooling minds to the same end is even bigger. Some people have already made the mental gear shift necessitated by today's conditions

BART BONEBRAKE likes messing in the kitchen, hated putting on his wife's frilly apron. He made for himself a masculine apron that has a steel clock-spring in the top hem, and snaps onto the manly chest in a really modern way.

Bart Bonebrake is also a manufacturer of advertising novelties—that's actually his name in the Los Angeles telephone book. He made up a few clock-spring aprons for friends, and presently was making them as a regular product. They caught on.

Suddenly, he found that he couldn't get the clock-spring steel for his aprons.

Until then, he had thought of priorities as something that had to do with bombers and tanks. But here it was right in his own business.

"You shouldn't have trouble with the small amount you need," consoled a friend. "How much do you use, anyway?"

"About a half ton a month!" said Bonebrake.

"And all the steel this country is supposed to turn out—?"

"It's not only the steel. But the people who convert it are all busy on defense work."

For several days, he went around saying to himself, and others, "What, no clock-spring steel?" Others were saying, "What, no synthetic rubber gaskets?" and this, and that. Every fellow had a worry about some little gadget he had hardly thought about before.

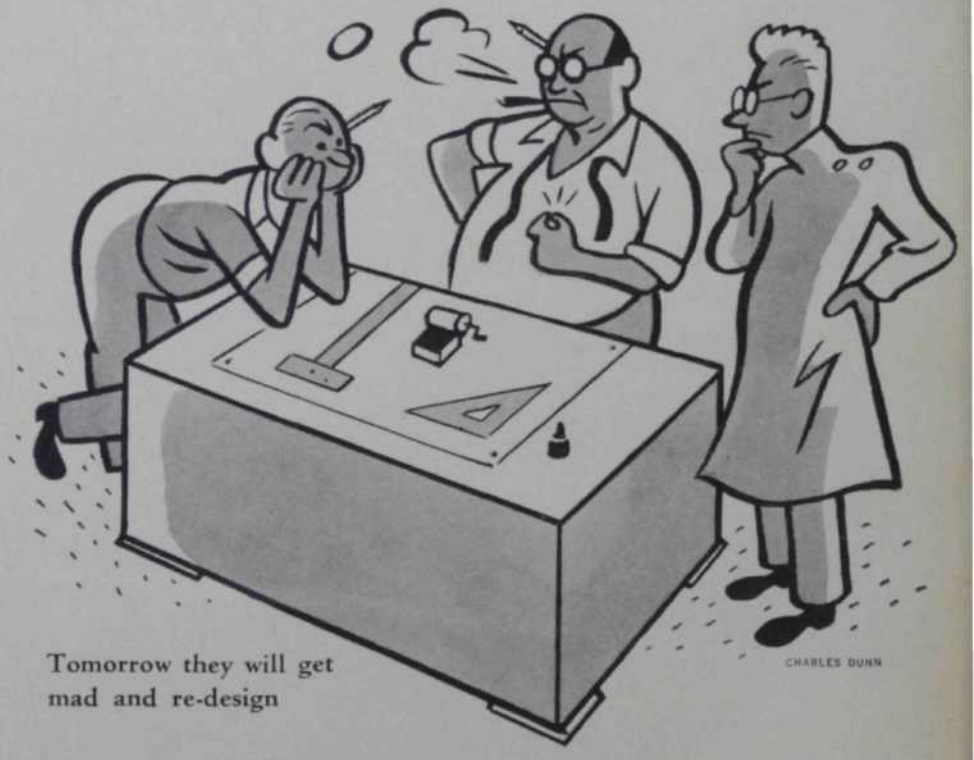
If it was aluminum, he had stopped saying, "What, no — ?" In one place, they said, 10,000 radio sets were waiting for condensers, and there was no aluminum for the condensers.

"It was like the early stage of a fever," says Bonebrake. "First, you get hot and bothered in several different ways, and then you get better."

All over the country, right now, business people seem to be in the early stages of this malady. Before long, they will be better. But now it may help to explain the stages.

First, there is resentment:

"What, no this-or-that in a big country like ours? Why hasn't somebody been getting ready to make all the stuff of every kind that would be needed, come what may?"



Tomorrow they will get mad and re-design

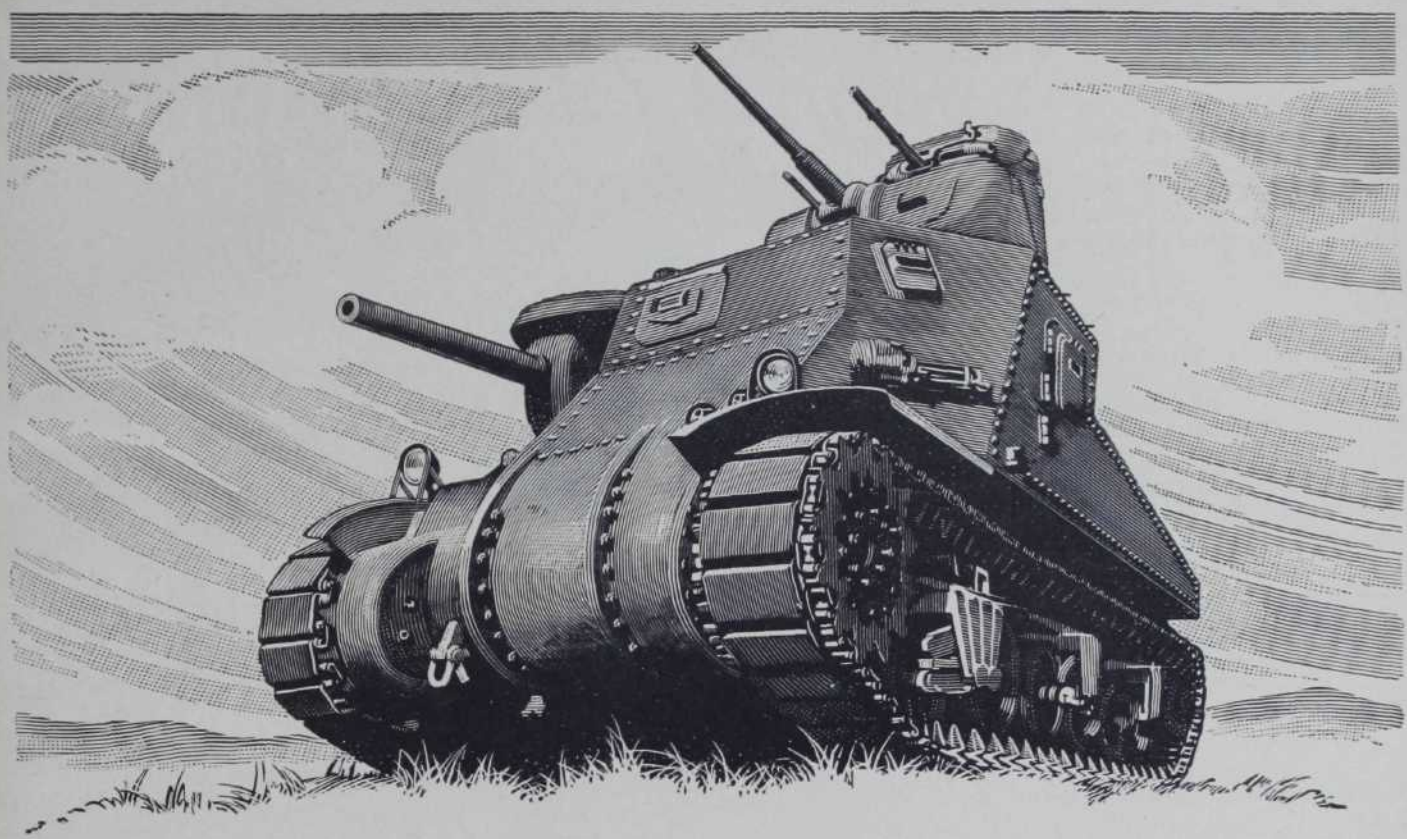
Second, there is the wangling phase. Last winter, the higher-ups in many companies making scarce materials found themselves popular. They were entertained and taken out to play golf by customers who casually asked if it might not be possible to get just a little of the scarce material.

"We all did it," admits one Los Angeles manufacturer. "It cost our company several hundred dollars. The higher-ups got indigestion, and never wanted to pick up a golf club again, and we all came out just where we went in, because there was no more material."

Third, you watch the production figures on scarce material, and wait for new factories to start up, feeling confident you will get some then—but discover that Uncle Sam is going to step in ahead, and take all the new production.

Then you come out of it, and begin re-designing your product. There must be some way of getting around shortages, even if you have to use a substitute "for the duration."

Bonebrake found that elastic tape



Behind Ramparts of Rolling Steel

Now, in this autumn of 1941, in mounting numbers come ramparts of rolling steel for our Armored Force from industries which once were devoted solely to the arts of peace. And from a host of other plants which even a few years ago were as remote from the making of munitions as they were from war itself come hundreds of no less essential contributions to defense.

As the national effort broadens, more and more of these often unsung industrial fighters for democracy play their vital parts. Behind them, in turn, stands the mobilized bank credit of the country, speeding in many ways the great task at hand. For bank credit assists in converting plants to new uses, in helping to create additional plants, in making needed tools, in financing purchases of materials, in facilitating subcontracting and in dozens of other ways, all necessary to swift and sure completion of rearmament.

The Chase National Bank, in its manifold relationships with banking and industry throughout the country, is aiding in vigorous measure in the rearming of the nation.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Member Federal Deposit Insurance Corporation

and a buckle is satisfactory, and, if rubber gets scarce, he expects to find some kind of plastic to hold his aprons on. He might even use a springy wooden hoop.

Somebody told him, in the fever stage, that, although English newspapers like the *Manchester Weekly Guardian* are down to 16 pages, they still devote several pages to export goods, and that "Britain Delivers the Goods" is a slogan.

"That's right," he agreed. "I use an English paper specialty in my plant, and have always been able to get it, war or no war. The price has gone up, due to marine insurance but, if the British manufacturer, with bombing and all, can go right on with production, what are we doing in this big sprawling country of ours, abounding in resources?"

How it may be elsewhere, I do not know, but probably things are about the same as here in Los Angeles, where most business men seem to be in the "What, no —?" stage.

Tomorrow they will get angry and begin re-designing.

Not alone their products, but their organizations, selling and distributing arrangements, transportation in and out. Materials are just one shortage. Labor is short, shipping is short.

I find myself going back to the first years of the depression for a parallel.

You remember how, through 1930 and later, we sat around and waited for prosperity to return, complaining that there was no business, people had no money to buy, what was the use?

In 1931 and 1932, when a load of lumber going through the streets was a sight comparable with a parade, many of us were still waiting and grumbling, when a few bright fellows saw that people still had some money, and that they spent it for low-price goods, and especially for repair parts, to fix the kitchen sink, the old shoes.

These bright fellows began making repair materials and low-price merchandise, and today you read their success stories in almost any magazine.

If history repeats, the success stories of 1951 should be about bright fellows who, today, are first to re-design their products, and re-shape their business, to meet the defense shortages of materials, transportation, labor or whatever else may be scarce.

It looks as though American business was making a gigantic mental gear shift.

Here is the steep hill of national defense, challenging with its shortages. We thought we could scoot up in high — some steel would be taken for tanks, some aluminum for planes, but not enough to interfere with regular production.

Now we know that, if we shift gears, we can make it.

If not, we stall—and always there are plenty of business minds that never succeed in making the gear shift to war, or depression. We leave them behind on the hill.

These defense shortages are appearing everywhere, in the most unexpected places, and no business is so small, so simple or seemingly so far from war, that it escapes them. They rise up in your home, and your daily life.

"They are tough, but interesting," said a Los Angeles machine tool manufacturer, "and you can get a laugh out of them."



The pinch in materials is realized but not all men recognize that there will be pinches in other things



"Why hasn't somebody been getting ready to make all the stuff that will be needed?"

No quick deliveries

"WE have one customer who never ordered a piece of equipment until the day after he needed it. The other day he came in and ordered a lathe. I told him he might get that lathe in November, because his business is not classed as essential to defense. He scolded, declared he would never buy from us again, and went out to other concerns, where he got the same answer. Now he is standing in line, like an obedient little boy."

In the course of the next few months, business will discover how big a job of re-designing it is up against and, after the first shock, will get busy.

"For years, now, we have been depicting chemists and engineers in our advertising," said another manufacturer. "They are seen peering through microscopes, and tinkering with scientific gadgets, always seem to have more whiskers than the boys out in our 'lab,'

(Continued on page 78)

Plastic "Green Houses"



Close-up of plastic nose installed on the Martin bomber



Workman polishes inside of enclosure for rear gunner. It will withstand a hard blow, but is not bulletproof



Heated to 200° F., edges of the hot sheet are clamped to form before cooling

THE FACT that a human being can see, breathe and keep warm while he sits in the transparent nose of a 375 mile-an-hour bomber is as much a triumph of chemistry as of aeronautical science. All that frequently stands between the bombardier and an air-blast that would quickly tear his clothes off is a thin, tough, plastic globe made from such opaque materials as coal and oil.

Many new American bombers are liberally studded with these plastic globes, which are the chemist's answer to the problem of giving warplane crews perfect vision and protection against 350 pound-per-square-foot air blasts.

Providing perfect vision and protection for the combat crew of a modern warplane is no small problem. Perfect vision is vital, because blind spots in the crews' enclosures would permit enemy planes to sneak in unobserved and flaws would throw off the gunner's aim. Protection for the crew is just as important, because a gunner or bombardier who is cold and wind-battered is inclined to be inaccurate.

Such problems did not exist in World War I. Goggles supplied the necessary protection and a gunner could stand in his open cockpit without too much difficulty. But bomber speeds have quadrupled since then and a human could scarcely breathe in an open cockpit of a modern plane—much less aim a machine-gun in the terrific airstream flowing past the fuselage. Furthermore, open cockpits would produce entirely too much "drag." One effective protection is two or three inch bullet-proof glass. Another is Plexiglas. This crystal clear, shatterproof plastic is now in use on many American planes being delivered to Britain and our own armed forces. It can be formed on a mass production scale into streamlined parts, strong enough to support machine-gun mounts and withstand the air pressure of 400-mile-an-hour dives.

Fitting these plastic sections to streamlined warplane contours is done by skilled workmen who use every precaution to prevent the slightest defect which might distort the vision of crew members. The Plexiglas sheets are heated until soft and pliable, are drawn over cloth-covered molds and clamped in position. When cool, they retain the smoothly rounded curves demanded by the plane designer, and neither Libyan heat nor Narvik cold will make them discolor or warp. They are trimmed with saws and, after a final polish, are ready for mounting in the plane.

*His mechanics know their three Rs'**

IT may surprise you to know that the modern automobile contains some 12,000 parts.

These parts are so durable and precisely fitted that most of them function throughout the life of the car with no attention at all.

However, since anything mechanical requires some care, one of the things General Motors dealers do for their communities is provide service based on complete, first-hand, up-to-the-minute knowledge of the whole automobile.

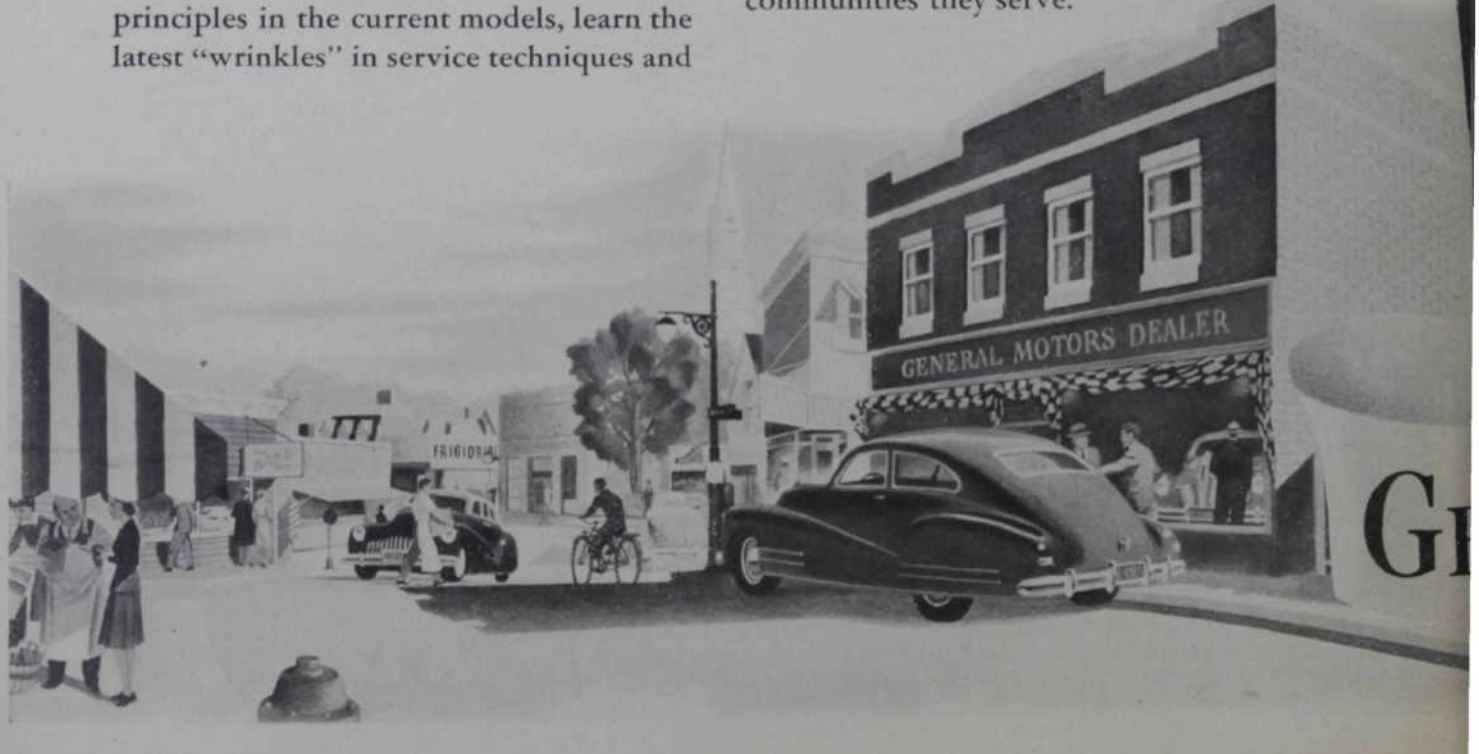
To do this, most GM dealers send their mechanics to a factory training school each year.

There they study the new engineering principles in the current models, learn the latest "wrinkles" in service techniques and refresh themselves on the proper care of standard mechanical features.

This is an important safeguard for the satisfaction you and millions like you desire from an automobile. It will be doubly important if the needs of national defense make it necessary for dealer service to prolong the useful life of cars in the future.

As a group, the dealers who sell GM cars have grown in ability with the industry of which they are a part. Year by year, they have risen to new responsibilities, and they are today, with mighty few exceptions, businessmen of whom we and their home towns can be proud.

That's why we look upon them as partners in progress, with us and with the communities they serve.




* Repairs
Replacements
Reconditioning
GENERAL MOTORS
GENERAL MOTORS DEALERS
Partners in PROGRESS through SERVICE
NERAL MOTORS
CHEVROLET · PONTIAC · OLDSMOBILE
BUICK · CADILLAC

NO BUSINESS *Can Escape* CHANGE

Business works to solve its problems whether they be to make munitions better or substitute for priorities

1 • ALUMINUM is avoided with a new infra-red heat lamp by using a mushroom-shaped bulb with an internal reflector behind the filament. It gives fairly uniform distribution of the heat rays. Sealed within the bulb, the reflector is protected from tarnishing.

2 • A NEW non-metallic material designed to replace aluminum in many uses has been developed. It is one-third lighter than aluminum and in some qualities surpasses the metal itself. It will not crystallize, is free from corrosion and pin-hole formation. Except for small amounts of rubber it is made of non-strategic materials.

3 • AN AUTOMATIC spray machine has been developed to coat and dry small shells (20 to 40 mm.) or other objects of similar size. Indexed spindles carry the work through a small spray booth and a drying oven. The whole unit requires floor space only four by four feet.

4 • A SYNTHETIC sponge rubber is now made from an oil-resistant synthetic for uses where oil, grease or other solvents might deteriorate natural rubber. It also has good resistance to temperature.

5 • FOR CARRYING water to men on construction or other work where they would waste time by going for their own, there is an easily carried water tank with an adjustable harness to fit the back comfortably, and complete with container for paper cups.

6 • A NEW aviation spark plug resists the lead in gasoline and withstands high heat and compression, at the same time lasting longer. It has an extremely hard insulator made mostly of aluminum oxide.

7 • A HEATER designed primarily for railroad switches operates 30-40 hours on one and one-half gallons of kerosene, is protected against burning ties and being blown out.

8 • A GASOLINE blow torch that uses no pump, introduces no air into the fuel tank, is said to have increased safety and convenience. Pressure is maintained by vaporization of the fuel through heat transmitted from the burner.

9 • AN IMPROVED starter device for fluorescent lamps has a stopper element which automatically cuts out the starter if the lamp does not start after a reasonable time. It remains out until the cause of the inoperative condition is rectified. The unit eliminates blinking, prevents much unnecessary wear on the starter.

10 • A LOUD SPEAKER for more true tones is now made with a smooth audio frequency range of 50 cycles to 15,000 cycles to take care of the increased transmission range of the frequency-modulated radio. The high frequencies are spread through a comparatively wide arc so that auditors do not have to sit directly before the speaker.

11 • COPPER-OXIDE battery chargers for electric truck batteries are now made that may be installed easily anywhere in the operating territory of the truck where 3-phase AC power is available. Noon hour boosting charges may be given. The unit uses less than three square feet of floor space, automatically cuts down to a safe finishing rate and finally cuts off entirely.

12 • A SIMPLE method of tin plating requires only a few seconds' dip in a solution at room temperature.

13 • THE APPEARANCE of a custom cut shingle roof is now obtainable with the ease of application of strip shingles. They come four shingles to a strip. Tabs quickly give proper alignment and spaces for joint protection, at the same time prevent monotonous regularity.

14 • A NEW electric heater is made to be built into the wall. A grille closes it to prevent exposed hot wires or glowing elements. A motor-driven fan distributes the warm air throughout the room.

15 • MUDDLERS in the shape of a streamlined diving girl are made of plastic in a wide range of colors. They may be used as picks for hors d'oeuvres, may be printed.

16 • FOR those who must have accurately synchronized watches there is now made a wrist watch that can be set to the second. The second hand stops when the stem is pulled out and starts again only when it is pushed back. Hour and minute hands are set conventionally. The watch is conventional strap watch size.

17 • A NEW accounting machine for payroll work has an interchangeable control plate making the machine available for other work when not used for payrolls. It has a special aligning device to obviate manual adjustment of various forms used. A carbon sheet is so held that loose carbon paper need not be handled.

18 • A MODIFIED slide rule is now made for adding and subtracting. It has supplementary scales for converting inches to millimeters, or the reverse, and decimals and common fractions. It is expected to be particularly useful in small calculations involving fractions.

19 • A TRUCK has been designed for the movement of frozen food products from wholesaler to consumer or retailer. Of unusual design, it has two rows of cylindrical storage compartments. Operating from small gasoline compressors, it keeps sub-zero temperatures indefinitely.

—W. L. HAMMER



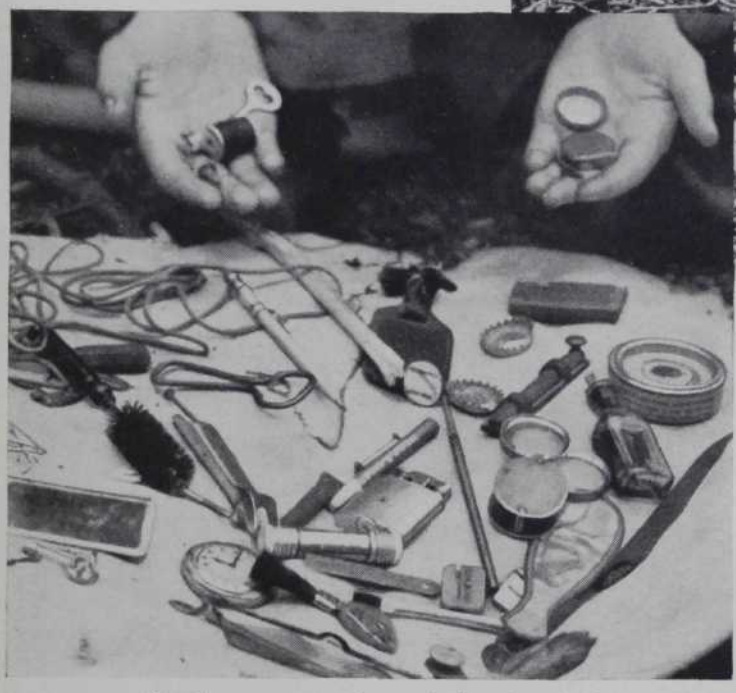
20 • A NEW type rubber sole and heel combines the advantages of a tire cord fabric with rubber. It is said to outwear leather and even hobnailed shoes. It is easy to wear and is not noisy and hard on floors.

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

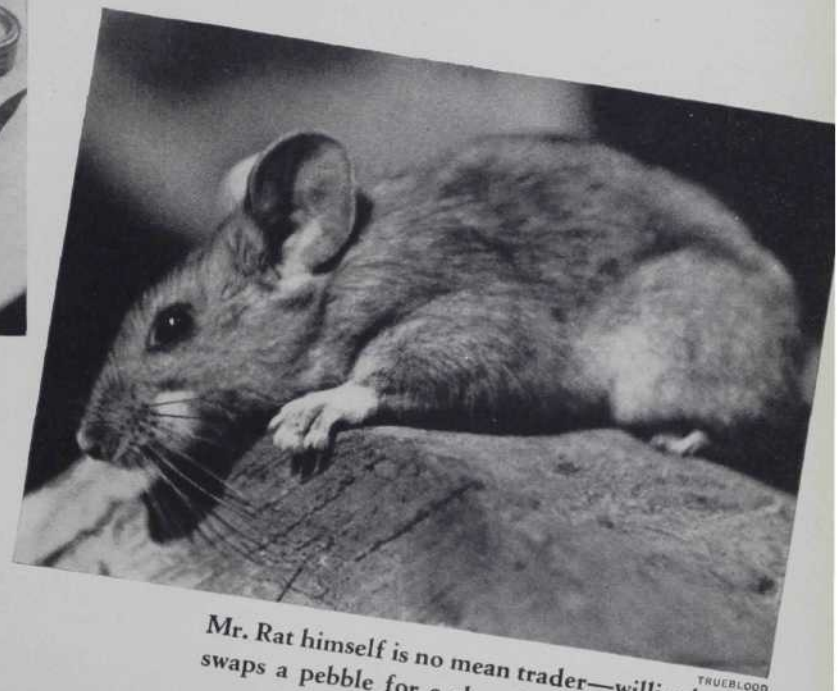
Rat Contributes to "Ersatz"



Boy shovels "peat moss" while his father searches for valuables in the destroyed nest



Bottle tops, a watch, a window foot bolt are among the loot collected from nests



Mr. Rat himself is no mean trader—willingly swaps a pebble for a shoe horn

TRUEBLOOD

PRIOR to the present war in Europe, American nurserymen, horticulturalists, and landscape gardeners bought peat moss by the shipload from European countries. Southern California agriculturalists alone used about $100,000 worth each year, having found it an ideal form of soil humus. Today the European product is off the market.

A satisfactory substitute for peat moss has been found in the masses of decomposed twigs, leaves, lichens, mosses and other vegetable material in the nests of millions of pack rats inhabiting the Rocky Mountain regions. In every old pack rat nest about eight cubic feet of this material will be found, and various groups of men and boys find a profitable business in claiming it. After dismantling a nest, they dig out the soil humus, place it in grain sacks and find a ready market for all they can truck out.

Neotoma fucepes, the pack rats, trade rats, trader rats, or more appropriately wood rats, are a super-abundant group of big-eyed, long-eared, bushy-tailed, murine rodents inhabiting all the states west of the U. S. great central plains. They derive their name because of their nocturnal habits and their custom of exchanging any product of the forest or desert for any article of human property they are able to carry into their nests. A pack rat never takes anything without leaving something, although he usually gets the best of every bargain.

To his sense of fairness a few twigs or bright-colored pebbles are a fair trade for a watch, a ring, a pair of spectacles, dental plates or anything else.

A pack rat nest is a heap of sticks and twigs often three or four feet high and six to eight in diameter at the base. When torn apart, a chamber will be found near the ground level lined with grass, mosses, lichens and other soft products of the surrounding countryside.

The men and boys who make a business of collecting "pack rat peat moss" have an occasional "treasure hunter's" source of revenue in the salvaging of human property from dismantled nests. Two men can dismantle a nest in about an hour and be sure of obtaining approximately three or four dollars' worth of soil humus. But, in opening nests where the rodents have access to camps or mountain resorts, they never know what they are going to find. A dozen nests torn apart may yield nothing of value other than soil humus, while the thirteenth may produce diamond rings, salvagable old gold or what not.

—JOHN ANGUS HAIG

Kimpak CREPE WADDING

Protects Your Product with "Shock-Absorber" Action!



KIMPAK® CREPE WADDING HAS EXTRA RESILIENCY . . . CUSHIONS EVERY BLOW!



Showing how Angier Chemical Co., Boston, uses KIMPAK to protect its cough emulsion from shipping damage.

SOFT, yet resilient, KIMPAK acts as a shock absorber for your product in transit . . . guards against breakage and scratches . . . saves time and waste in your shipping room . . . and dresses up your product as well.

You buy KIMPAK in rolls, sheets and pads of the thickness and size that meet your needs *exactly*. KIMPAK is inexpensive, light-weight, flexible . . . as easy to use as a piece of string. Since KIMPAK absorbs 16 times its own weight in moisture, it more than meets government postal regulations regarding shipping of liquids.

Don't delay. Mail coupon now for complete information about KIMPAK.

(®Reg. U. S. and Can. Pat. Off.)

Kimpak
CREPE WADDING
Protects your product dresses your package

KIMBERLY-CLARK CORP.
Neenah, Wisconsin NB-11-41

Please send me information about KIMPAK.

Company

Address

Attention of

Our Product is

Seagoing Classrooms

(Continued from page 42)

"Our boys," Mr. Allpress concluded, "naturally are interested in your community. Can you send us some literature?"

As Matson read the request, an idea began to take root. Within an hour, it had reached full flower. That afternoon he turned the letter over to one of his assistants, David Livingstone, with a notation:

Does this suggest anything to you?

Livingstone, who from several years of experience with his chief knew that anything which might foster friendly international relations and foreign trade was grist for the Matson mill, translated the question into more specific workaday instructions.

"Here," he interpreted the note, "is a good idea. Probably it can be used by our local schools. Use your imagination and initiative in drafting detailed suggestions for submissions to the schools."

Livingstone sized up the situation. He wrote to the English schoolmaster, found the British school was following the *Beckenham* on the run from England through the Caribbean and the Panama Canal, along Central America for bananas and to Vancouver for wheat. Weeks before that information came in, he was contacting local steamship agencies.

"Yes," all of them replied, "we will provide freighters for adoption."

He visited Manual Arts High School. Dr. Helen Miller Bailey offered a class in Social Studies as guinea pig Number One. Groups of students went with Livingstone to the various agencies and arranged for their ships. Within a month, 11 freighters were enlisted in the cause. Dr. Bailey describes the plan in this way:

Our class divided itself into 11 small committees, and each time a boat was in the harbor, the particular committee arranged an expedition to see the freighter. You should have seen their interest. Those children swarmed all over the vessels—down into the hold, along the propeller shaft, into the engine room. The captain explained navigation, read parts of his log, listed products being loaded. On a single trip, they learned more about shipping than book reading ever would bring to their minds.

Trade and geography

THAT was only a bare beginning. Now they set to work preparing charts in the classroom. They prepared notebooks about the countries visited, reported on processes used in making the products exchanged. They mapped all the regions the ships touched. Meanwhile, Dr. Bailey, who long has been interested in World Friendship Club work in Los Angeles high schools, was suggesting to the secondary curriculum department that greater stress should be placed on the teaching of geography, and that here was a way to make the subject more interesting and stimulating.

By the end of the year, 15 other teachers and classes agreed. Ships soon were being used in connection with the teaching of history, economics, English composition, literature, music appreciation, art and foreign language.

So far, so good But was all this drawing, painting and charting producing any tangible results? Livingstone thought it was, but to make sure he arranged last year for the boys and girls to



The *West Ivis* ties up after a voyage on which 800 school children followed her day and night, wrote letters to her skipper –



WE'LL CALL IT CANTONMENT X. Rush job. Loaded with dangers, a vast project sprawled over hundreds of acres . . . muck and sand and underbrush.

Our safety engineers could not walk from one to another of the many sections without great waste of time. No roads for automobiles.

So, we put them on horseback. It turned the trick. Our engineers moved quickly . . . here . . . there . . . carelessness was eliminated . . . sly dangers removed . . . accidents held to a minimum.

On the job was our own ambulance, our own field hospital. Minor injuries were treated on the spot, checking costly infections. Serious injuries got instant care. It's this kind of service *only* that hangs up safety records.

Why not let this thoroughgoing service . . . resourceful . . . vision ahead . . . exacting, ***yet human,*** protect you against the ***hidden costs*** of accidents in your plant? ***Hidden costs you pay,*** not your insurance company. ***Hidden costs four times greater*** than the amount paid under your workmen's compensation policy.

Lumbermens is playing a vital part in the defense program . . . helping to establish brilliant safety records in construction of great army cantonments, naval bases, armaments plants that are being rushed to completion. By drastically reducing accidents, delays are avoided, *hidden costs* wiped out.

Lumbermens Safety Engineering Service offers you its staff of recognized experts—as one part of its outstanding service.

For further details (no obligation to you whatever) drop us a line—today.

Lumbermens

MUTUAL CASUALTY COMPANY

SERVICE · SECURITY · SAVINGS FOR GOOD RISKS

JAMES S. KEMPER, President Home Office: Mutual Insurance Bldg., Chicago
Operating in New York State as (American) Lumbermens Mutual Casualty Company of Illinois
Affiliate, American Motorists Insurance Company

HOW HOUSEHOLD FINANCE HAS REDUCED RATES ON PERSONAL LOANS

CHARGES on small loans often seem high to the business man accustomed to borrowing large sums at commercial banking rates. But when he looks into the matter, he finds that the cost of making and collecting *many* loans for *small* amounts is far greater than the cost of making and collecting a *few* loans for *large* amounts.

Lawmakers know this. They have studied the costs of operating a small loan business. For this reason state laws authorize a maximum rate of charge high enough to bring *legitimate* capital into the business in order that *legitimate* loans at reasonable rates will be available to those who need them.

Household's rates below lawful maximum

Some lenders, in order to keep their businesses solvent, are obliged to make the maximum charge. Other companies, more efficiently operated or favored by local conditions, can provide small loan service at somewhat lower rates.

Household's policy has long been to lend at the lowest rates of charge consistent with sound business practice and a reasonable return on employed capital. Today the company's rates are lower than the maximum rates permitted by 20 of the 23 states where it operates.

$4,600,000 saving to borrowers

For the last seven years Household's average monthly rate has shown a steady decline from 2.95% at the end of 1933 to 2.27% at the end of 1940. This average monthly rate of 2.27% compares with 2.75% maximum average monthly rate currently permitted by state laws. During 1941 Household's rates, in comparison with the maximum lawful rates, will result in a saving to customers of more than $4,600,000.

The table below shows some typical loan plans. The borrower may choose the schedule which best fits his own situation. Payments shown include charges at the rate of 2½% per month. Charges are less in many territories on the larger loans.

WHAT BORROWER GETS

	WHAT BORROWER REPAYS MONTHLY				
	2 paymts	*6 paymts*	*12 paymts*	*15 paymts*	*18 paymts*
$ 20	$ 10.38	$ 3.63	$ 1.95		
50	25.94	9.08	4.87		
100	51.88	18.15	9.75	$ 8.08	$ 6.97
150	77.82	27.23	14.62	12.11	10.45
200	103.77	36.31	19.50	16.15	13.93
250	129.71	45.39	24.37	20.19	17.42
300	155.65	54.46	29.25	24.23	20.90

Above payments include charges of 2½% per month and based on prompt payment are in effect in seven states. Due to local conditions, rates elsewhere vary slightly.

Wage workers may borrow at Household Finance largely on character and earning ability. No endorser is needed. No wage assignment is taken. The loan is made in a simple, private transaction.

We will gladly send you more information about Household Finance service without obligation. Please use the coupon.

HOUSEHOLD FINANCE
Corporation
ESTABLISHED 1878

Headquarters: 919 N. Michigan Ave., Chicago

One of America's leading family finance organizations, with 300 branches in 198 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-11
919 N. Michigan Ave., Chicago, Ill.

Please tell me more about your loan service for wage earners—without obligation.

Name.....

Address.....

City..... *State*.....

hold a meeting. It was designated as the First Inter-school World Trade Congress. Students conducted the congress, every one had an opportunity to play some part in the deliberations. Adults were present when the sessions convened on the campus of the University of California at Los Angeles to help the 300 delegates who attended.

Each class sent 30 questions to be asked at ten group discussions of ten different topics. Forty importers, exporters, steamship agents and other trade experts sat in on the meetings, their sole duty being to answer the questions, if they could!

Much information sought

WHAT did the youngsters want to know? Their advisors were surprised at the depth and significance of the queries:

Is there an increase in shipping over last year?

How are the Allies paying for materials bought from us?

What is the cause for striking?

How many jobs are affected by foreign trade?

What are the qualifications for a harbor commissioner?

Can the United States survive without foreign trade?

Can other nations live without foreign trade?

In what different ways does world trade help the daily life of people?

Among those who answered were Glen Arbogast, president of the Los Angeles Harbor Commission; Morris Blau, export manager for The Texas Company; William B. Hinchman, traffic manager, Pacific Coast Borax Co. Bankers, air line executives, communications experts, trade commissioners took everything the kids shot at them and gave their questioners the benefit of their best training and experience.

It was no show and no stunt. The children accepted their new information seriously and, before going home, considered resolutions presented by their own delegates. And they came up with soundly-reasoned conclusions.

Here are some of their resolutions:

Expenditures of governments throughout the world in the future should be more largely devoted to encouraging world trade and less to preparation for war.

Students should be allowed to take greater interest in geography courses through the ship adoption program, and the study of imports and exports.

The trade agreement program should be studied by high school students as a means of preventing future wars.

That congress proved to be such an outstanding success for educators and business alike that it was repeated in May of this year. Nearly 1,000 youngsters trooped into conference. When Leland Attaway, 16-year-old Manual Arts High School student and general chairman, voiced the objective ". . . no one should get through our schools until he has been exposed to some knowledge of our harbor, foreign commerce and the shipping industry. . . ." his elders cheered.

Despite any suspicions you may entertain, his was the voice of adolescent experience speaking for youth.

Conventions seldom produce more than the frosting. The main dish evolves somewhere behind the scenes. What goes on?

One ten-year-old boy laboriously put together a letter which reached Capt. A. H. Westerberg, Master of the *West Ivis*, in a South American port.

. . . you probably are sailing along in the dark night with only the stars above you and the ocean as far as you can see all around you. This reminds me. How many passengers and crew members do you have? What are the rates? What menus do you have? How are you greeted at various ports? How is the vessel prepared for bad weather?

Questions, always questions. The masters patiently try to answer all, making no effort at literary perfection. Just simple, friendly, informative letters.

In the classroom, the youngsters piece together the information thus received, use it as a basis for comprehensive studies of whole industries. At the Lawndale school, on the southern fringe of Los Angeles, I saw the other day how this program absorbs the kids. Nine colored drawings were taking shape around the walls. One depicted a primitive method of producing sugar, another the modern machine which squeezes the last drop of juice from the cane. A boy and girl were drawing the *Mormacstar's* present route through the Panama Canal and down the east coast of South America. Others, standing intently around a table, were listening as their teacher explained the workings of a sugar plantation, using as her text a model which their young hands had fashioned. Before the term ended, 40-odd boys and girls, from 11 to 16, knew how the sugar poured over their cereal came into being and reached their own tables.

I mentioned those 10,000 tons of machinery, clothing, food, tires and potatoes. Cargo, yes. But more Livingstone reminds you:

Each southbound shipment represents the good will of 2,500 kids toward citizens of a distant land, plus their desire to know more about those folks. They're not interested in commerce and facts about shipping alone. They want to know how people at the other end of sea lanes live and work and play. What kind of a guy will break open these packages? What sort of fellow picks the coffee bean dad and mother brewed for breakfast this morning? Those are the questions they're asking, and you'd be surprised how rapidly they're finding the answers.

The plan is certainly flowering. Aside from purely academic values, what is its worth? I carried the question to Matson, who, as a spokesman for business, should view the results with hardheaded realism. He has two prime interests in life—promoting trade through Los Angeles harbor and building a harbor big enough to take care of expanded shipping which he expects to follow the present conflict. Scarcely less important in his view are the creation of better cultural relations between nations. He told me:

From the sponsors' viewpoint, ship adoption develops "economic literacy." In down-to-earth language, that means the kids are learning principles and facts

which we know are necessary to continued economic growth and balance of the community, and to the creation of more employment.

Particularly the boys are building better characters, especially after they contact several ship's officers. That's a pretty good compliment to the merchant marine, isn't it? And their letters to the officers show constant improvement in neatness, spelling, thought, construction and ability to express ideas. Don't think that habit won't carry over into their business lives, either.

The schools and civic-industrial groups are cooperating as never before. This means we're finding a solid bridge between the textbook and the world of reality.

From our selfish, local standpoint, their studies are focusing attention of the coming generation all over the 11 western states upon Los Angeles-Long Beach harbor as the focal center of world commerce on the Pacific coast.

Exchanges of ideas between our and foreign students broaden international understanding, a phase of the study which we pray may be extended to encourage peace among the nations. Naturally friendly relations will beget commerce.

So endeth the lesson.

Let's Put Glory Back in "Old Glory"

(Continued from page 20)

One skeleton said to the other: "If we had any guts we'd get out of this." In the long run, Thoreau points out, men hit only what they aim at. The energy and skill of our people are such that we can center the loftiest target, if we will aim that high. We must stop wasting ourselves in doubting and harassing one another. We must halt the neurotic nagging that has plagued our recent years. There is far better use for our time. A scientist told me not long ago that, of the 93 elements in the world, we know perhaps three-fifths of what there is to be known about only one. As we approach the vast realm of usefulness and opportunity implicit in that fact, let us say to and for America what Burnham in the '90's said to the planners of the Columbian Exposition which was later to dazzle the world:

"Make no little plans."

Once there was something called the American dream. It must have had in it a touch of the divine, because it blessed the eyes of ordinary men with a vision of Heaven on earth for hope and joy. Under the impulse of it our forefathers converted a wilderness continent into the fairest human abode of all time. In a rare commingling of awe and affection, they named the flag which symbolized it "Old Glory." We seem to see that those who came after have let that dream fade. The way to its restoration is to let America once more know her worth. It could be—nay, it should be—the exalted mission of men of our calling each in his single strength to help refresh our countrymen's wonder. To do that will be to fortify with grandeur, and to invest with new glory, the only banner safely sheltering freedom which is left in the world.



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And a Postage Meter has other advantages . . . prints postmark and your advertisement when it prints the meter stamp, and seals the envelope at the same time—far faster than manual mailing! . . . Metered mail, already cancelled and postmarked, spends less time in the postoffice, gets away faster . . . The convenience, the time, effort and postage saved . . . makes a Postage Meter worth while for any business. Even a small business can afford one! . . . Ask our nearest office for a demonstration in your office—or send the coupon—soon!

Branches in principal cities. Consult your telephone directory.
In Canada: Canadian Postage Meters & Machines Co., Ltd.

PITNEY-BOWES POSTAGE METER CO.

Pitney-Bowes Postage Meter Co.
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☐ Mail me "Common Mistakes in Mailing"
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This new Lockheed engineering loft gives an idea of the extent to which fluorescent lighting and vast, unobstructed space have been employed

War Builds New Factories



Most new factories include swanky kitchens with modern gadgets like this potato peeler

By FRANCIS M. BOGERT

THE INDUSTRIAL GRAVEYARD will be yawning for hundreds of present-day factories when the new defense plants revert to peacetime production

DROP a multi-billion dollar national defense program into the lap of a nation whose business was geared only for normal peace-time production and you create a problem such as the American industrial front faced in May, 1940.

Boost to new peaks the quantities of the multitudinous products needed for this defense program, and you have a picture of the problem today—some 18 months later.

To produce the necessary quantities of defense products required a huge increase in America's productive capacity and the one way to get this increase, since building of new industrial plants had been practically dormant for more than ten years, was to build more factories.

That's the reason for the tremendous volume of new factory construction this year. That's also the reason for the huge number of additions being made to existing plants.

Previous peaks in the building of new factories were reached in the late 1920's, but there is little doubt that the present effort will top



SHOPPERS STOP, LOOK, AND BUY when they see this smart Armstrong's Linoleum Floor in Postman's Specialty Shop for bags, gloves, and jewelry, 436 Fifth Avenue, New York. The field is Monobelle Linoleum No. 046, with Deep Rose No. 37 beneath the mirror, and insets of Fawn No. 45. Floor installed by the Anchor Carpet and Linoleum Company, New York.

How Smart New York Shops Set the Stage for Sales . . .



SMART Fifth Avenue shops like Postman's seem to have a secret for bringing in shoppers. But their sales success is based on a very simple fact any merchant can use—*people buy with their eyes!*

Postman's put this fact to work right underfoot. Step into this store and you step on a floor that stops the eye and starts the sale—a floor of Armstrong's Linoleum.

There's no patent on this idea. Armstrong's Linoleum will go to work attracting trade in any store anywhere—in *your* store if you say the word. And when it does, your sales will soon show that shoppers respond to the style-setting beauty of a modern Armstrong Floor.

The cost to you is moderate—even for an Armstrong Floor of individual design. The results—in sales, in comfort, in cleaning ease, in long wear—are certainly worth the investment. See your linoleum merchant today, and learn how little it costs to set the stage for sales the Armstrong way.

SEE EYE-APPEAL AT WORK in shops, stores, showrooms of all types. Just write for our new color-illustrated book. It shows how others are boosting sales with Armstrong Floors. Sent free (outside U. S. A., 40¢). Armstrong Cork Company, Floor Division, 4111 Coral St., Lancaster, Pa. (Makers of cork products since 1860)

Look for the name Armstrong's on the back.

ARMSTRONG'S LINOLEUM FLOORS

Custom-Laid or Standard Designs

PLAIN • INLAID • EMBOSSED • JASPÉ • CORK TILE • ASPHALT TILE • RUBBER TILE • ARMSTRONG'S LINOWALL *and* ARMSTRONG'S QUAKER RUGS



One of a series illustrating Cyanamid's many activities.

the last millionth is the hardest

In thousands of machine shops, in countless plants from Bath to San Diego, wheels are spinning today—wheels that bite into metal . . . shaping . . . cutting . . . finishing the vital machine tools that are the backbone of production in most important industries. And precision is the order of the day—two ten-thousandths . . . one ten-thousandth . . . down to the last millionth of an inch.

How is it possible to achieve such unbelievable precision? One answer is found in the use of grinding wheels made from abrasives. These abrasives are obtained by processing Bauxite—a mineral mined by American Cyanamid Company. Abrasives made from Bauxite are so fine, so hard and so tough that they have revolutionized the manufacture of precision products. They are the essence of speed and efficiency in the production of a great variety of articles—from massive steel rolls to tiny bearings a fraction of an inch in diameter. Wherever speed and accuracy, wherever precision combined with efficiency in the machining of tools and parts are called for—there you will find high speed grinding being done with such abrasives, of which there are many grades and forms for various uses.

The manufacture of abrasives for use in industry is a great industry in itself. And the importance of Bauxite increases as the demand for speed of production grows. American Cyanamid Company is today the second largest producer of Bauxite in the United States. By research and cooperation with the abrasive industry, Cyanamid is not only materially aiding our great defense program, but also helping to improve many of the articles you use in everyday living. This is but one of the ways in which the company serves you directly or indirectly.

American
Cyanamid Company

30 ROCKEFELLER PLAZA, NEW YORK, N.Y.

MOLDING THE FUTURE THROUGH CHEMISTRY

that record. Figures from the Office for Emergency Management show that, after ten months of the defense program, more than 1,600 plants were being built or enlarged.

Factories being built today differ radically both in design and efficiency from those built 20 years ago.

Today's manufacturer, taking a long-term view, is considering the time when the present emergency ends and industrial production returns to something like a normal basis. This view is influencing the design of both defense and non-defense plants today. As an illustration, a company whose current major output consists of defense materials, recently built a new plant. A travelling crane was not needed for the company's defense production but was necessary for its usual line of business. In the new factory, space was provided for installation of the crane—after the emergency ends.

The war is likewise influencing design. Many new plants are employing construction features which make them as nearly bomb-proof as possible. For example, in the 23-acre plant of the North American Aviation Corporation at Dallas, Tex., the roof deck is of fireproofed structural steel units laid in alternate levels, instead of in a single flat surface, so that a direct hit by a bomb would cause minimum damage. In addition, concrete bomb baffles reinforce the outer walls of this factory to a height of nearly six feet.

Two types of plants predominate in new factory construction today. These are the daylight plant, and the blackout or controlled conditions plant—either of which is generally single-story.

More single-story factories

THE theory is that the single-story factory, whether daylight or blackout, can be used for almost all kinds of general manufacturing operations, particularly since straight-line production is now practically universal. Toilets, lockers, and light manufacturing operations can be located on mezzanines, thus conserving floor space. If additional floor space is needed, it is relatively easy to build new wings.

The blackout or controlled conditions type of factory is windowless, thus requiring continuous lighting and air conditioning. This type of plant, with its uniform light and atmospheric conditions, is said to be ideal for manufacturing operations requiring precision workmanship and high degree of uniformity of product. Heat from sunlight sometimes causes expansion of metal in small parts which are machined to close tolerances, but this danger can be eliminated by the artificial light in a blackout factory. Likewise, perspiration from a sweaty finger sometimes causes rust on finished precision parts. This, too, can be prevented by the controlled atmospheric conditions in a blackout factory. Another timely point is that the blackout factory is normally invisible to enemy airplanes.

Although blackout plants are usually more costly to build and operate than daylight plants, increased efficiency may result in a net saving. The Austin Co., engineers and builders, estimates that it sometimes costs from ten per cent to 25 per cent more to build and equip a blackout plant than a daylight plant. But, they say, the first two per cent increase in productive efficiency would cover a 15 per cent to 20 per cent cost differential in a ten-year period.

The multi-story factory today is being built almost exclusively in industries which apply the theory of a gravity flow in their manufacturing processes.

Another less common type of new plant is the split-unit factory, consisting of numerous buildings separated by yard space. This type of factory which is more costly and requires more acreage is being used for the manufacture of ammunition and other inflammables. Damage to one building will not disable the entire plant.

These, then, are the types of factories by which America hopes to increase its productive capacity. Many of them include features that make them both more efficient from the standpoint of management, and more desirable to work in from the standpoint of the employee, than factories of former years.

Fluorescent lighting, perfected only three years ago, is already an almost

Extensive inside transportation systems are increasingly important as factories spread out on horizontal design





Douglas phone system will have 70 trunk lines—27 people to handle switchboard with 60 per cent increase expected later

universal feature of new plants. Its superior illumination, low cost and low heat output, have made it particularly valuable in windowless plants.

Air-conditioning has been brought within the reach of many industries by the extensive use of cold well water instead of mechanical refrigeration and by modern insulating materials.

Providing facilities for employees

AMPLE parking spaces for automobiles are being provided in planning new factories today. Adequate feeding facilities are likewise being provided, aided by such developments as modern kitchens, cafeterias, and mobile food conveyors. Further, the need for recreational and social facilities for employees is being met. Public address systems for announcements, paging, news reports and music during rest periods, are being used more extensively.

Consideration of various broader problems confronting both management and the factory builder uncovers some interesting observations as to trends in factory construction.

Location is still the most important question in planning a new factory. Increased popularity of the automobile, together with today's improved urban transit facilities, have tended to make labor more mobile, thus influencing factory location to some extent. In general, however, factories requiring mostly unskilled and semi-skilled labor are locating in cities in semi-rural sections, while plants in which skilled labor predominates are being built in or on the outskirts of larger cities.

Transportation facilities for receiving manufacturing materials and shipping finished products are another important problem. Although railroad facilities are still of primary importance and essential to many industries, the recent growth of highway transportation facilities permits much greater freedom in selection of factory sites.

This is particularly true in the case of small plants and industries requiring a minimum of heavy or bulky materials. On the other hand, government arsenals and heavier defense industries are being built where they will have multiple rail connections wherever possible.

Transportation within the factory has become more important than ever with the recent spread of assembly line production to such industries as aircraft and small boat building. With overhead areas free of old-fashioned belt drives and the maze of steel reduced by modern welded designs, overhead handling facilities are being used more extensively.

Obtaining needed construction materials, particularly those regulated by priorities, is an important current problem since all types of construction are now subject to governmental control. In the case of defense plants, however, the problem is less difficult. Steel is an important example of how material priorities are affecting factory building today, since last year the building and construction industries were the second largest domestic consumer of steel, using 10.8 per cent of our total output. For example, a manufacturer of electrical equipment, not used directly for defense, recently contracted for a new factory to be built in 30 days. Since a high priority rating could not be obtained, the factory was built of wood. This is not an isolated case.

The curtailment of oil use, particularly on the eastern seaboard, likewise has posed a problem. Factory builders point to numerous cases where new plants, originally designed for oil heating, have been changed to burn coal.

The need for immediate production is being met with many speed records for factory construction as evidenced by the completion of a 1,000,000 square-foot airplane plant in 140 calendar days.

Numerous recent developments in construction methods have made this speed-up possible.

The factories now being built will probably fit comfortably into America's permanent industrial picture.

Much of today's defense-stimulated industrial construction is represented by new quarters being built as expansions of existing plants. When the emergency is over and production again returns to normal, many of the old plants will probably be given up. What may then transpire is a sort of "slum clearance" of outmoded and inefficient factories.

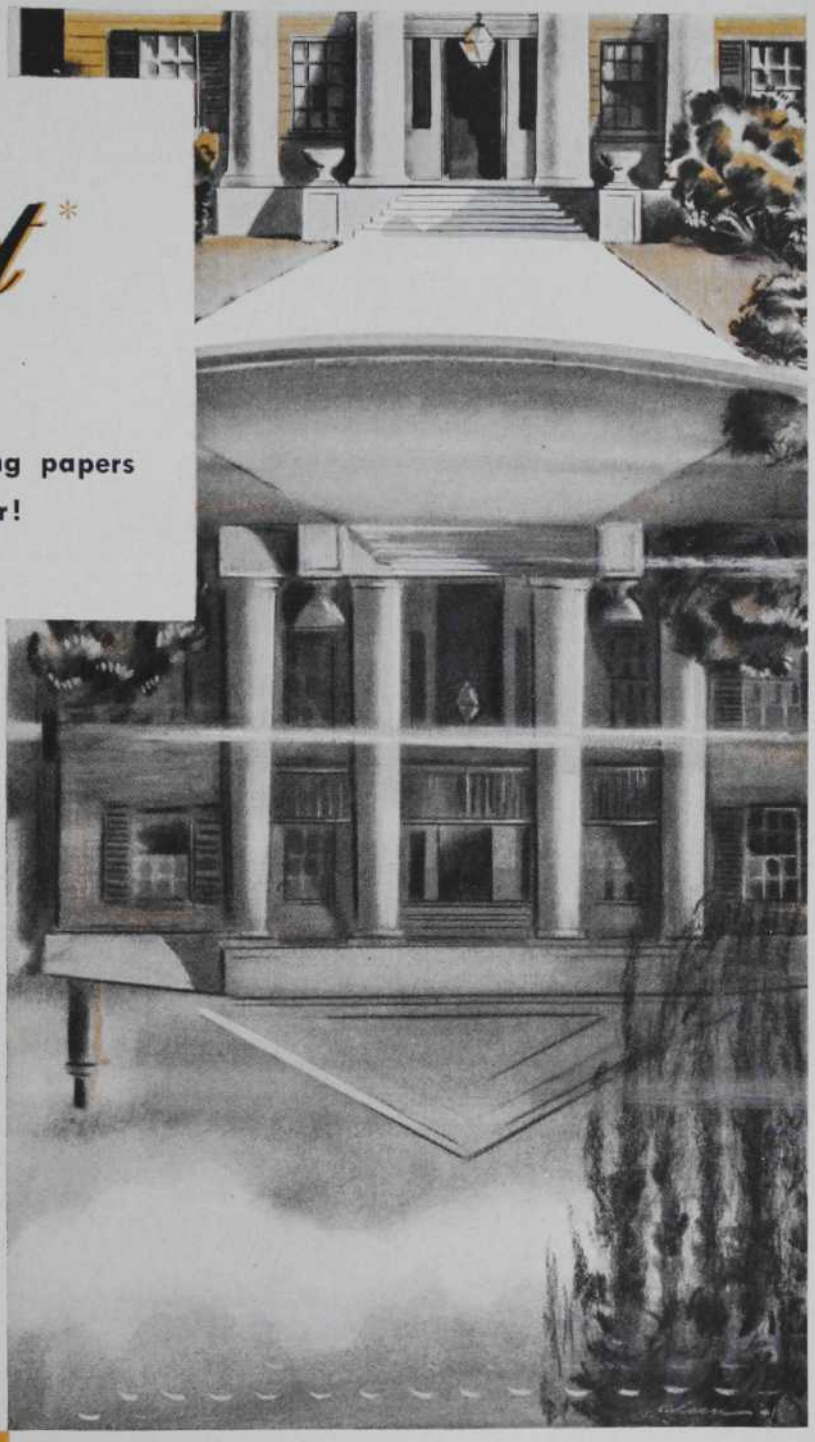
Today's new factories, more modern in design and more efficient in operation than those of former years, will likewise tend to hasten the obsolescence of older plants, thus making for a continued volume of construction for engineers and builders of factories.

"SMOOTH AS STILL WATER"

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WITH the development of *Levelcoat** printing papers, there's no reason why *all* your printed pieces can't be outstanding. Equally important to you is the fact that it's no longer necessary to pay a premium for superior printing results. By specifying *Levelcoat* papers, advertisers can now make substantial savings in printing costs, *without sacrificing quality,* because *Levelcoat printing papers give all the beauty of costly printing papers at the price of ordinary paper!*

Levelcoat's super-smooth printing surfaces, achieved through new and exclusive processes, help you get sharply-defined type... halftones of almost photographic perfection... attention-compelling color... all the things you need to put more "sell" into your printed advertising.

If small printing budgets have confined you to mediocre-appearing catalogs, circulars and brochures, you can now inject new life into your advertising by stepping up to *Levelcoat* quality, and do it at little, if any, extra cost.

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Made super-smooth by new, exclusive coating processes. For high-quality printing.

Kimfect* *Levelcoat Paper*

Companion to Trufect at lower cost. For use where quality remains a factor, but less exacting printing results demanded.

Multifect* *Levelcoat Paper*

Where economy counts in volume printing, this grade does a splendid job.

*TRADE MARK

Seeing is believing... Ask your printer or paper merchant for samples of *Levelcoat* papers. Or for proofs of fine printed results, write direct to Kimberly-Clark. You'll agree that these new-type papers do most for the money! They are available through your paper merchant. If you prefer, inquire direct.

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Approximately feet.

USS CYCLONE FENCE

UNITED STATES STEEL

The First Line of Public Health

(Continued from page 32)

come in the life of the country vet, a day when the life or death—actually and economically—of an entire human community may hinge upon his knowledge and his ability to act quickly and efficiently.

A child dies of a streptococcus sore throat and another is declared seriously ill. The town doctor is sure they have contracted the disease from milk. And the only milk they have been drinking was given them at the township school.

As many as 50 herds may be supplying milk to the school. The implications are grave. Any one or more of some 500 cows must have mastitis, dread disease that can be transmitted through milk to humans, causing these possibly fatal sore throats. Everyone who has drunk the township milk is a potential victim.

Infected cows must be cured

IF THE country vet is the official dairy inspector of the region he must drop everything and track down the infection. It is not an easy job, either. The diseased cow looks normal, but in her milk lurks the deadly hemolytic streptococcus that causes the trouble. The germ survives some pasteurization because of the protecting capsule it wears. That's why many states require yearly inspection and certification against mastitis.

In the case of an outbreak like this the vet must take or have taken, a sterile test tube sample of milk from each quarter of each cow's udder, label it and then laboratory-test it for infection. Fifty herds to be tested—2,000 samples to be cultured and checked under a microscope. The laboratory at the State University may help out with the testings, the vet may send out an emergency call for trained assistants. During the testing period no milk from the suspect cattle may be sold. There is need of expedition; economics as well as human life are involved.

The germ may be found in the tenth testing, and the offending cow destroyed if she cannot be cured in the course of a segregation period. That is no signal for relief, however. Until the last test is made there is no telling how far the disease has spread among the herds. Tirelessly and with thoroughness the vet must continue until he can report a clean bill of health for every animal in the township.

Maybe he gets public credit for the job, maybe not. At any rate he can be sure that the farmers appreciate him. They may not know that, not long ago, there were more than 180,000 cases of equine encephalomyelitis throughout the land, with an average mortality rate of more than 20 per cent. But they have seen their own horses exhibit the symptoms of the disease—get depressed, lose their powers of coordination, and either die or live on as punch drunk dummies.

They know that the vaccine the vets have developed in the past few years to fight the disease now gives their horses a 99 per cent immunity to it. They know what the anti-hog cholera and foot-and-mouth disease serums have meant to them economically.

The Government, too, has recognized the important part played by the veterinarians. The B.A.I. has its trained men working at every spot where animals and animal products will affect the health of the nation. Two hundred and twenty-six of them are working to wipe out tick fever in the South and in Porto Rico and the Virgin Islands. That handful has dipped 16,000,000 head of cattle and inspected more than 1,500,000 horses and mules so far, and the campaign is 99 per cent finished.

Others have labored to eradicate tuberculosis, anthrax, hookworm and a host of animal diseases, many of which are communicable to humans and so constitute a public health as well as an economic problem. There is still much to do, as there is in the field of human medicine.

But in the nature of things the latter is always able to enlist more public and private cooperation than the former. Somehow it is never as glamorous to save a horse's life, or to protect a million hogs from hog cholera as to perform an emergency appendectomy or to conduct an anti-rickets drive—not even when the research and field work of veterinary medicine directly and indirectly affect human health, as they did in the now-solved case of consumption contracted from tubercular cows. So the researcher in veterinary medicine finds himself working in a lab that is financed either by the Government or by something commercial like a meat-packing house.

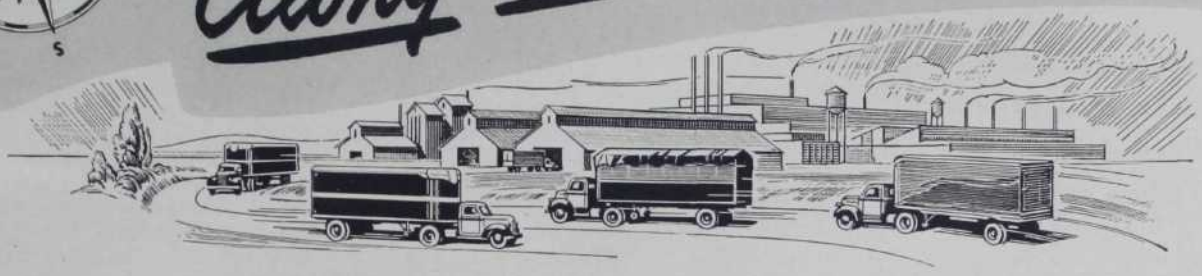
Sentiment for pets only

THE whole question of economics versus sentiment enters on that plane and carries over into the distinction between animal and human medicine. Of course the small animal veterinarian runs into sentiment when people are willing to spend big money on their pets. But the practice of the big animal vet is governed largely by economic considerations; if it costs more to save a pig's life than the animal would bring on the county fair auction block the owner cannot afford to be softhearted.

Yet, though humans play only a secondary rôle in his life work, there is plenty of drama and excitement for the veterinarian. The government men see unforgettable action in cases like an outbreak of foot-and-mouth disease, which is characterized by animal lameness and death. The malady has been eliminated in this country, but suddenly an alarm reached the B.A.I.—the hogs on a California farm were stricken.

A navy ship had returned from a friendly cruise to Japan. Its accumulated garbage was fed to these hogs, and almost instantly the plague had gained its foothold. The Bureau of Animal Industry quarantined the infected farm and the vets took over. The diseased and exposed hogs were killed. Everyone who

DEFENSE PRODUCTION LINES NOW RUN *Along Our Highways!*



YOU'RE HEARING a lot about assembly lines these days . . how they're being geared up to turn out the defense material we need. And, quite naturally, you may think of these lines as being housed in factory buildings.

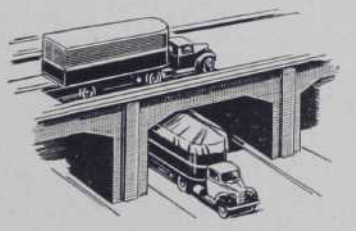
As a matter of fact, however, our highways are now an integral part of the assembly lines for national defense.

Few products are completely fabricated in one place. Sheet metal is rolled in Pennsylvania, made into ailerons in Michigan, and assembled in completed planes in Tennessee. Cloth from New England mills is hauled to New Jersey to be tailored into army uniforms. Carbon from Ohio and fabric from North Carolina travel many miles overland to meet in a gas mask plant in Indiana. Timber is logged in Washington mountains, milled on Puget Sound and built into ships at Los Angeles.



In these and thousands more cases, assembly lines *begin and end miles apart* . . possibly halfway across the country.

And the mid-portion . . yes, the heart . . of these assembly lines is our highway system and America's motor transport industry.



Motor transport has been assigned this grave responsibility because it has proved its ability to deliver the goods . . and *do it on schedule.* Materials must flow smoothly . . in exactly the right quantities . . at precisely the right time. Production schedules may change on an hour's notice . . and the flow of materials must change accordingly. This hair trigger control, as any experienced manufacturing man will affirm, is the secret of efficient assembly line production.

In the coming months, as schedules call for more and still more speed, America can depend on motor transport to keep things moving on the assembly lines!



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FRUEHAUF TRAILER CO. ★ DETROIT
Sales and Service in Principal Cities
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A TRUCK IS LIKE A HORSE — IT CAN PULL MORE THAN IT CAN CARRY
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NOW AVAILABLE TO U. S. MANUFACTURERS

A World-Wide Sales Organization with complete distribution in Mexico, Central and South America

COMPLETE wholesale and retail distribution for American products in electrical and allied lines is available in Latin America—or in any other country outside the war zone—through the facilities of one of our clients who has long operated a world-wide export business.

This offer to U. S. manufacturers comes from a company with which we have been associated for ten years and which has built up the world's largest export business in its field.

All outlets are free from, and have no connection with, anti-American influences.

Our client has substantial financial resources and is interested in making connections which will establish quality American products in the export market.

From our own personal association with this company we know it has the finest world-wide sales organization in its field, that this sales organization operates under sound policies and is ably directed by men of the highest business integrity.

For further information or interviews with the principals of this company, address Erwin, Wasey & Company, Inc., 2840 Graybar Building, New York, N. Y.

came on the premises had to enter a sterilization room, change his clothes, go about his work and change back when he left. No dogs were permitted to run around, for fear they might carry the infection.

Finally the veterinarians broke the back of the threatened epidemic. In this case they didn't have to burn the barns on the farm but, before the quarantine was lifted, they thoroughly disinfected every building.

To realize the importance of such swift action and control, it is only necessary to remember that New York is a short four days by rail from California. The meat from the infected hogs, or the hogs themselves, could turn up in any corner of the nation in less time than it took the pioneers to travel from Albany to Buffalo. The highly communicable foot-and-mouth disease might be spread far and wide, wreaking incalculable havoc.

Another country doctor

LIKE his colleague in the B.A.I., the farmland vet works without benefit of public acclaim, and works hard. He is at the mercy of the telephone 24 hours a day. If snow or spring mud mire his car, he gets through anyhow because he must. All the physical hardships of the vanished horse-and-buggy doctor are his, and a few more besides. He hasn't even a decently warm kitchen in which to perform his obstetric and other operations; he suffers with his patients in clammy, ill-lighted barns. The work is dirty, and he is seldom free of barnyard smells.

He is constantly exposed to infection —a vital fact that the insurance companies have considered in listing him as a poor risk. Most D.V.M.'s count at least some cows as their patients, and every cow in the country can be rated as a possible subject of Bang's disease, that difficult-to-trace malady which causes contagious abortion. Bang's disease is transferable to humans as undulant fever, so a slight scratch incurred in its treatment, with infection setting in, may easily result in a serious case of undulant fever for the vet.

Also called Brucellosis or Malta fever, this is no minor ailment. It implies an uncomfortable, bed-ridden month in a darkened room. Often it leaves the sufferer eligible for an afternoon nap for years, and open to recurrent attacks whenever he becomes rundown. If he escapes undulant fever, the vet is likely to contract a skin disease as a result of his work, or perhaps worse still, get himself injured by a balking patient.

Since there is little public appreciation of his vital job, the animal doctor must content himself with the knowledge that he does important work well. He has one added compensation—a steady and dependable income. His is perhaps the only profession that, in the past 20 years, has found openings for all its members and clamored for more.

In 1939, the vet schools of the nation graduated 471 men and women; all found a ready demand for their services. Some went into private practice; others entered the Federal Bureau of Animal Industry and similar state work. Some were commissioned as second lieutenants to care for the mules and horses of the Army. Research jobs in commercial laboratories claimed the rest.

Unlike most young professionals, the graduate is assured a decent income from the start, no matter which branch of veterinary medicine he chooses to follow. The average pay of the '39 graduates today is $2,600—not a fabulous sum, but a comfortable income that will mount steadily toward $5,500 by the end of a decade. The depression-year survey of 1932 fixed the average income for the nation's vets as $4,274 and showed that a handful of men reach the handsome $20,000-a-year brackets.

Since 1930 there has been a surge of interest in veterinary medicine, as a result of pleas by practicing D.V.M's for new recruits to help them man the defenses against animal disease. At that time school enrollments had sunk to an inadequate low. Today the classrooms are full, but even at the present rate of turnout there will not be enough vets to meet the country's needs for the next 50 years.

One of the chief reasons is that so few universities have colleges of veterinary medicine. Only one, that of the University of Pennsylvania, is privately endowed. The rest, in Alabama, Colorado, Iowa, Kansas, Michigan, New York, Ohio, Texas and Washington, are all state owned. Applicants are numerous and facilities limited.

In an earlier generation the vet was called a Horse Doctor. It was a general term, sometimes applied a little contemptuously. Veterinary medicine has come a long way since then. Today a complex science, it demands arduous training of its followers.

Hard school work required

MOST vet schools now require two years of college work of their applicants. Then, if the would-be vet is chosen from among the hundreds applying for each appointment, he begins a stiff four-year grind. In his first year he has classes from eight to five on weekdays, from eight till noon on Saturdays. That doesn't include the five or more hours of study he puts in daily. In his next two years the student averages 38 or 40 class hours, tapering off to 32 as a senior.

After final examinations at college the young vet takes a set of state exams to qualify for his state license. Those safely passed, he can hang out his shingle at any chosen spot in the state. In the country he will find a challenging variety to his work right from the beginning. One call may take him to clip the wings of a swan, another to set the broken leg of a terrier, a third to check a case of swine influenza. If he practices in the city his professional attentions will center mainly on dogs and cats.

There is a truism in veterinary medicine that runs "Big animals, little pay; little animals, big pay." By big animals the D.V.M. means livestock, by little animals he means pets. It is one of the ironies that his most important patients, from the point of view of the welfare of the nation, bring him the least financial return and the greatest professional responsibility.



← The right forearm of the Statue of Liberty arrived first in this country in 1876 for display in the Centennial Exposition at Philadelphia.

It was then → removed to Madison Square Park on Fifth Avenue in New York *(extreme right in picture)*. It remained there until 1884 while funds were raised for the base of the Statue.



Insuring Democracy

The arm was returned to France for completion of the entire Statue which subsequently arrived at Bedloe's Island and was erected late in 1884. The raising of this symbol of liberty was considered quite an engineering feat in its day. Keeping its flame burning brightly to warm and encourage all lovers of freedom is the quiet determination of 130 *million* people.



THROUGH good times and bad since 1853 this institution has been providing sound insurance protection to American property owners. We believe this entitles us to the claim that we know something about good insurance. Of all the forms of insurance that serve the individual none can compare with the finest kind of insurance that will serve us all—United States Defense Bonds. For the safest investment in the world—for insurance that will help safeguard our liberty—Buy United States Defense Bonds.

☆ THE HOME ☆
Insurance Company
NEW YORK

¶ *The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry*

FIRE • AUTOMOBILE • MARINE INSURANCE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

No Time Out for Selling

Advertising for the future Taboo on Frills How to Keep Idle Salesmen Busy

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Now it's the buyer and not the seller who must be persuasive. In today's seller's market the man with goods or services to dispose is the one who confers favors. Instead of salesmen waiting obsequiously in buyers' offices, it is the buyers who stand in line and wave their greenbacks.

But thoughtful marketers do not regard this situation complacently. They deplore a tendency on the part of short-sighted sellers to coast along as though this joy ride would last forever. The armament boom honeymoon offers a temptation to lop off great gobs of distribution costs by cutting down advertising and selling. This is like the strategic error confessed by a well known football coach. After his team had run up a score of 14 to nothing in the first half, he took out all his stars and sent in substitutes. Before he could get the situation in hand, the opposing team had piled up four touchdowns—enough to win the game.

Those companies oversold by reason of Government orders are "sitting pretty" now but, when their backlogs have been consumed, it is they who will be in a hazardous spot, unless they have taken care to preserve their good will. A business that goes silent now is likely to come out of the "unlimited emergency" a dead business. It can't



disappear from the civilian market place for a year, two years or five years, then return and take its place in the line where it was when tapped on the shoulder by Uncle Sam. A company may hold the jobs for its men in uniform but the consuming public will not hold open the company's job of supplying it. The public memory is proverbially short.

Wartime develops substitutes for nearly everything. Unless the manufacturer of an established brand continues to advertise aggressively while living off armament orders, his old customers may discover something else they like as well or better.

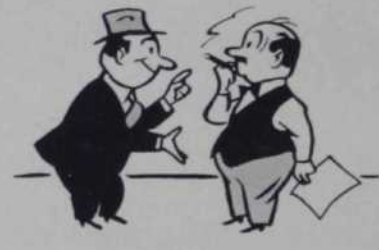
On July 1, 1914, 91 corporations had stocks listed on the New York Stock Exchange. Six years later, after the World War, the number was 228. Thirteen of the old ones had dropped out and been replaced by 137 newcomers. The war mortality was not excessive but the accretion of new firms was. For every competitor who fell by the wayside in the war years, 11 new ones appeared.

Another cogent reason that has been cited for continuity in advertising in war-time, particularly in the case of industrial advertisers, is the high turnover among executive personnel.

A comparison of the 25 largest firm listings in the *Standard Register* for 1935 with the same listings today shows that 12 of the companies have new presidents, 12 have 14 new vice presidents, eight have new treasurers, 12 have new advertising managers, 12 have new sales managers and seven have new general managers.

Just now thousands of young men are being placed in responsible positions in industry where they will do some purchasing or specifying of purchases. This new blood has none of the old loyalties and preferences. Unless these executives are subjected to advertising and missionary selling they are likely to become attached to new sources of supply.

But with this recognition that the role of advertising is in no sense abolished by a war economy goes a general feeling that today is a terribly serious time. Copy capers and merchandising frills—the ultra fashion note, multiplicity of models, baby talk for luring customers—are anachronisms now. Already these marketing wackeroos are being thrown out the window.



A moratorium on direct selling because of priorities and war orders would be just as bad for the long range as an advertising blackout. An efficient sales organization is hard to build up and still harder to rebuild after it has once been dissipated.

On this point Lou W. Kreicker, president of Advertising Producers-Associated, of Chicago, writes to NATION'S BUSINESS:

> The other day a friend of mine, sales manager of a small machine tool company, made a statement that came as a shock to me, since I have always considered him an executive who had both feet on the ground.
>
> He said: "Boy, are we sitting pretty. We're booked solid for over 2½ years and I'm thinking seriously of calling our three salesmen in off the road and giving them jobs of some kind inside. It'll make 'em unhappy and they'll probably quit, which will save me the disagreeable task of having to fire them. The boys have been with us a long time, but salesmen are going to be a dime a dozen before long, and we haven't anything to sell, anyhow."

Mr. Kreicker suggested to his friend that, for the time being, the services of at least one salesman might be used as an "expediter." The job of expediting is prodding the company's suppliers, diplomatically of course, and obtaining a few more pounds or tons of materials delivered a few days sooner than it might otherwise arrive. With salesmen-expediters spotted around at a few key points, a company's interests can be watched and advanced.

"If John H. Pressure reports that shipment of widgets is held up because your New Jersey supplier cannot get goose yokes from a Milwaukee manufacturer, you've got your Milwaukee man, Fred G. Getter, to follow it up."

May not salesmen in some lines be developed into service men during this period when they have nothing to sell? asks Mr. Kreicker. By showing equipment users how to squeeze the utmost production out of the equipment they have, these ambassadors of efficiency could carry on and earn a salary until they are again needed in selling. Or they may fill in by cuddling up to disgruntled customers waiting on postponed deliveries.

—FRED DEARMOND



Industry is already learning "To Beat Swords into Plowshares" for Tomorrow's Aluminized America

Many a plant that is humming with Defense work today has a quiet room set aside for a designer whose only job is to think of ways to apply the lessons of war to the merchandise of peace.

Men and companies on Defense projects are working with aluminum today as they never had reason to work with it before.

They are learning things it will do better than anything else on earth.

The possibilities Alcoa Aluminum holds for their own work are bursting upon them with all the surprise of a newly-discovered metal.

Here at Alcoa, we already know of many pleasant surprises that are in store for you in that happy day when the needs of Defense have been met, when every manufacturer can put Alcoa Aluminum to work on peace-time uses in all the wondrous new ways that are being developed.

We know of many ingenious inventions, many labor-saving devices, many profit-making developments that are just waiting for the abundance of low-cost aluminum that will come from the present herculean efforts of the Aluminum Industry.

Alzak aluminum reflectors used for speeding up the drying of automobile body finishes with infra-red rays have already been used on farms to kill insects on animals and plants, and in homes to kill moths in blankets and clothing.

Alcoa Alloys put into textile machines to cut down vibration and noise surprised everyone by speeding up the production of the machines.

Alcoa Aluminum applied to hand tools to cut down the fatigue of workmen and for increased efficiency not only did that but proved to be a great safety factor as well.

Alcoa, which is helping gird the nation for Defense today, is also arming many a far-seeing manufacturer with information for the trade wars that the future may bring.

Research and Development Men to Help You

Aluminum possesses important economic advantages. Alcoa has experienced staffs of research and development men who will be glad to help you apply these advantages to any future industrial design problem you have, if you are interested in:

Light Weight
High Resistance to Corrosion
High Electrical Conductivity
High Conductivity for Heat
High Reflectivity for Light and Radiant Heat
Workability
Non-Magnetic Properties
Non-Toxic Properties
Strength (in alloys)
Non-Sparking Properties
Appearance
High Scrap and Re-use Value

ALCOA

ALUMINUM COMPANY OF AMERICA
2125 GULF BUILDING · PITTSBURGH, PENNSYLVANIA

Resource-full
WEST VIRGINIA
offers



Communities
Ideal for Industry

There are many communities in West Virginia — small, medium, large — which offer ideal locations for industries seeking new manufacturing sites. Common to these communities are:

- Abundant resources
- Native-born workmen
- Economical power
- All forms of transportation
- Quick access to markets
- Excellent climate
- Cooperative State, Civic organizations

Knowledge of West Virginia's many advantages will be helpful to executives faced with today's extraordinary demands. Inquiries will be kept strictly confidential. Address your request to:

Industrial
Development
Division

WEST VIRGINIA PUBLICITY COMMISSION
Department NB 11, Charleston, W. Va.

Go-Getter for the Little Man

(Continued from page 34)

have estimated that as many as 2,000,000 men may be thrown out of employment. When John D. Biggers of Libbey-Owens-Ford Glass, was deputy administrator of O.P.M., he set up the Defense Contract Service in an effort to get defense business for smaller industries. The plan failed partly because of bad timing, partly because Biggers lacked power to enforce it. Now the Government, facing the increasing agitation in Congress and of labor leaders, is prepared, in effect, to pay a bounty of as much as 15 per cent in an effort to bring the smaller fellows within the spending bonanza. This is to say that prime contractors, sub-letting some of their work, will receive a premium with which to experiment with the smaller fellows and to cover increased costs. Similarly, when a community has been classed as a "distressed" area, the Army, Navy and other procurement officials are directed by executive order to disregard laws requiring competitive bidding and to shoot defense contracts to them.

The first thing Odlum did was to announce that he intended to set up some 200 or more agencies around the country to assist smaller industries in financing, readjustments for defense work, training workers and surmounting such obstacles as performance bids and labor legislation.

Distributing defense contracts

AN EARLY example of the new set-up was in the War Department's award of a $2,000,000 order for mess kits. Originally planned to go to one firm, it was spread, instead, regardless of bids, over a half dozen. The aluminum ware industry of New Kensington, Pa., got some of it, but the largest chunk, about $1,000,000 went to the aluminum ware industry of Manitowoc, Wis., which had been declared a "distressed" zone.

As of early October, the labor division had certified eight such areas to Odlum and was making surveys in some 45 or 50 other places. The eight thus far certified were not made public for policy reasons but communities which had been most discussed were Meadville, Pa., zipper industry; Quincy, Ill., electrical supplies and stoves; Evansville, Ind., and Newton, Iowa, washing machines; Racine-Kenosha, Wis., silk hosiery, automobiles.

The washing machine industry of Newton had already stepped out and gotten a sub-contract for bomber parts from Glenn Martin.

Officials admit that the program will add to the cost of defense but hold it to be essential, as the military puts it, to the nation's "morale." Larger industries which are reluctant to sub-let work to contractors with whom they have not dealt before will be forced to do so even though the prime contractor is held responsible for the finished product.

Industries that cannot be re-adapted to defense work are not the problem of Odlum. Moreover, the set-up indicates that emphasis will be on prevention of unemployment rather than helping industry.

Ordinarily, a "case" originates through the O.P.M.'s labor division. These labor representatives, informed that the electrical refrigeration, washing machine or like industry must cut its production on a certain date, have presumably already made a survey of the men to be affected, what can be done with them, etc. More often than not, the matter reaches Odlum's set-up by this route, although it can reach there by way of a complaining congressman, and other less certain channels.

A success in depression

AFTER the market crash of 1929, there was a lot of talk about how every depression produced new men of wealth who had the courage to buy up bargains. But it took more than a knowledge of bargains and the courage. You also had to have the money. Odlum had it.

In the spring of 1929, the $40,000 pool which he and Howard and their wives had started had assets of $6,000,000. Odlum converted half of this into liquid assets. He raised another $9,000,000 by selling Atlas equities. He kept this $12,000,000 liquid until 1930 when, to him, the time seemed ripe to buy. In three years he had taken over 22 investment trusts which, aside from the Goldman Sachs Trading Corporation, embraced the $17,500,000 Sterling Securities and the Chatham Phenix Allied Corporation. He seldom paid more than 50 cents on the dollar, sometimes as low as 20 cents. He ended up with control of or a hand in such diversified enterprises as a Mississippi River barge line; the Fifth Avenue dress shop of Bonwit Teller; Albert Pick Co., makers of hotel and restaurant equipment; Warner Brothers; Loew's; Paramount Publix; T.W.A.; Franklin Simon and Company, another Fifth Avenue dress shop; the Utility Power and Light empire which Harley F. Clarke built; Greyhound bus lines; Manufacturers Trust of New York; Madison Square Garden, and a California fruit grove.

Atlas went into the management field. Reorganizations were effected, the distressed properties were put on their feet. Mrs. Odlum was made president of Bonwit Teller, for example, at $15,000 a year and in three years increased the annual gross from $3,333,000 to $9,000,000. In one of his newly acquired trusts, the Chatham Phenix, Odlum found a second mortgage on the Empire State building for $6,750,000. He traded it to the weakened Chatham Phenix Bank for bank stock, then went to the stronger Manufacturers Trust and effected a merger of the two. He reorganized Paramount Publix.

Samuel Zemurray, a Bessarabian immigrant, who built up a rival fruit line to United Fruit out of New Orleans

from the meagre beginnings of peddling the cast-off bananas which United Fruit boats brought in, sold his line, Cuyamel Company, to United Fruit for cash and stock. In the depression '30's he didn't like the way the banker management was treating United Fruit. He and Odlum got together, Odlum quietly picked up more United Fruit issues and one day they appeared before the United Fruit board and announced they had control of the company. Zemurray was returned to the management.

Odlum's friends like to tell about the way he got control of Harley Clarke's empire, once valued at $400,000,000. Clarke had a still higher holding company known as PUSCO. For a $2,000,000 loan from the Dawes bank in Chicago he pledged PUSCO securities. Subsequently, in the transactions between the bank and the R.F.C., this security landed in the latter's possession.

Odlum, meantime, had been buying up Utilities Power and Light debentures at 20¼ cents on the dollar. With more attractive and more liquid securities in his possession he went to the R.F.C. and swapped them for the management PUSCO securities. Thus attaining control of the empire, he sold back to the British for $25,000,000 one of the Empire's holdings known as Greater London and Counties Trust, Limited. Utility securities in England, in 1936, were on a rising market as against the declining market here. Odlum, as a result, was able to make a deal by which he could relieve the more pressing obligations against Utilities Power and Light and, after considerable litigation with Howard C. Hopson, effect a reorganization of this set-up.

At his first press conference in his new job in Washington a young reporter kept needling him. Afterwards the reporter told him:

"I was needling you because I lost money in Atlas."

A trust that paid well

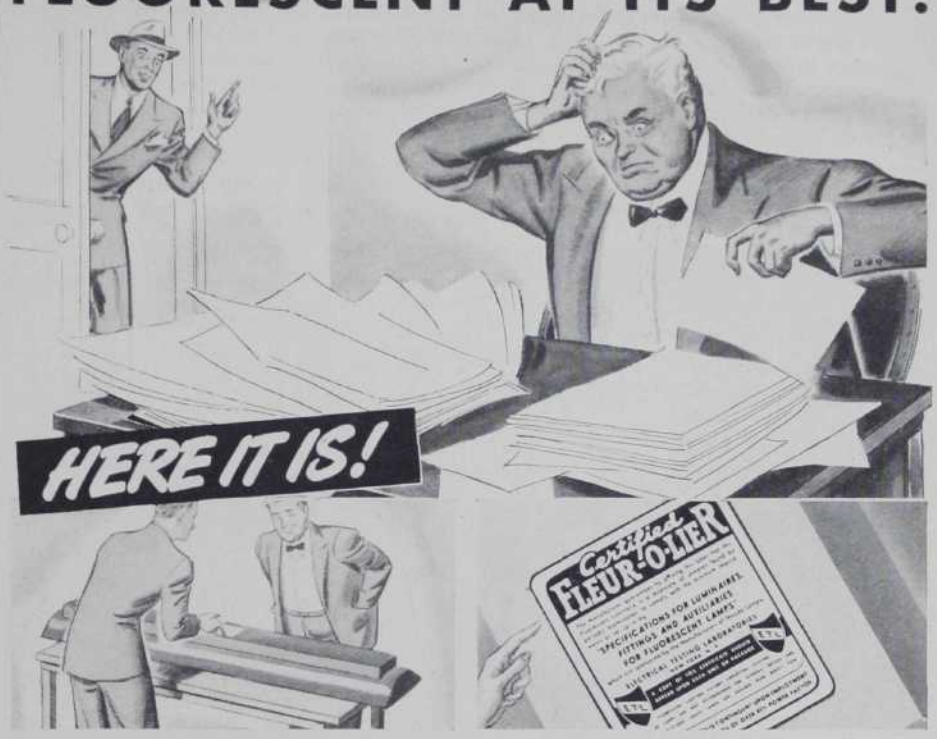
THIS is surprising because Atlas' stock rose from $5 a share in 1929 to $20 in 1937. Its assets, which reached $140,000,000 in 1934, were reduced to $100,000,000 because Odlum believed that this could be managed more efficiently.

In 1940 he decided that $25,000,000 was doing most of the good work in the market, that another $37,000,000 didn't accomplish much. With this he sought to buy into Curtiss-Wright. It needed new money for expanding aircraft production but was having difficulty because of its financial set-up in raising it. It was thought for some time that Odlum had clinched another deal but Curtiss-Wright stockholders rallied and warded him off.

Odlum showed the knack of acquiring while still in his teens. He was born in Union City, Mich., in 1892, one of five children of a Canadian-born Methodist preacher who made $800 a year. He sold maps, dug ditches, sprayed vegetables and once, for 50 cents a ride, had a job of riding an ostrich in a race with a horse at the Grand Rapids fair.

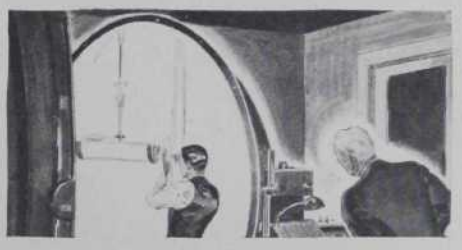
His family moved to Colorado and he

WANTED!
a simple way to be sure of
FLUORESCENT AT ITS BEST!



If you've pondered and puzzled about what kind of fluorescent lighting fixtures to buy for your business—stop worrying—take this tip. *Look for the label* that marks the Certified FLEUR-O-LIER! You need look no further.

This label is your assurance that famous Electrical Testing Laboratories has *certified* this fixture as having met 50 exacting specifications set up by MAZDA lamp manufacturers to give you good light and safe, satisfactory performance.





For your protection, FLEUR-O-LIERS are tested on such vital points as flicker correction, durability and safety, ease of maintenance, dependable ballasts and starters, efficient lighting performance and high power factor (over 85%).

FLEUR-O-LIER means lighting fitted to your specific needs. You have a choice of over 125 different designs . . . in a wide price range, products of over a score of leading fixture manufacturers. And they all carry the guarantee you see here.

Ask *your supplier and local electric service company about FLEUR-O-LIERS—to give you balanced, trouble-free lighting for your business.*

FLEUR-O-LIERS
CERTIFIED FIXTURES FOR FLUORESCENT LIGHTING



TEAR OUT AND MAIL

Fleur-O-Lier Manufacturers • 2116-11 Keith Building, Cleveland, Ohio

Please send me FREE new booklet "50 Standards for Satisfaction," together with list of Fleur-O-Lier manufacturers.

Name _____

Address _____

City _____ State _____

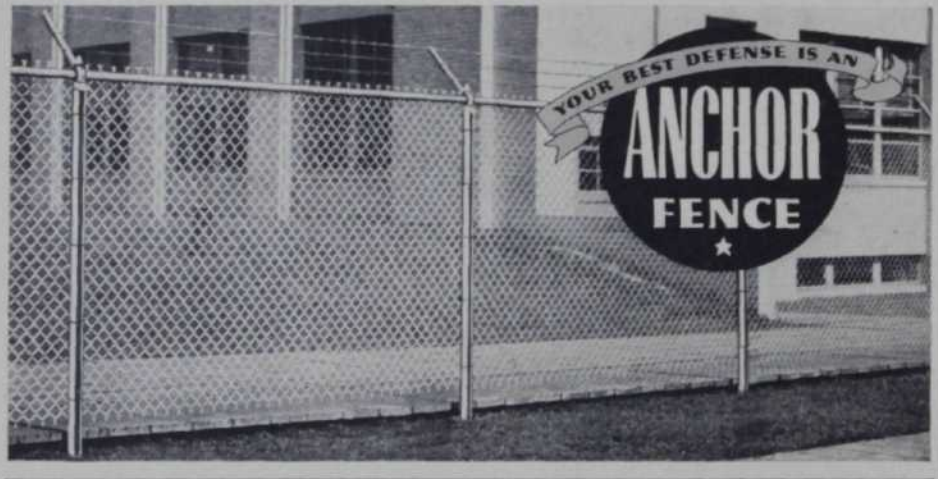


Are Saboteurs Watching *Your* Government Contract Work?

Almost certainly! For there's abundant proof that saboteurs are out to destroy or delay Defense Work whenever they can. There's only *one* effective way recommended to discourage such saboteurs—the complete protection of an Anchor Fence surrounding your plant property—and Anchor Fences around your power station, transformers, chemical storage, fuel supply and other vulnerable points *inside* your plant.

In this way you can protect your plant and personnel from *outside* saboteurs, and safeguard the vulnerable points from *inside* saboteurs who may be on your payroll NOW. Don't delay! Send for an Anchor Fence Engineer today. Let him show you how to provide complete protection with a minimum of expense for guards. Write or wire today to: ANCHOR POST FENCE CO., 6660 Eastern Avenue, Baltimore, Md.

NATION-WIDE SALES AND ERECTING SERVICE



FRIDEN AUTOMATIC CALCULATORS

Accurate Figures in a Hurry



Fridén Automatic Calculators are Sold and Serviced by a Factory trained personnel in over 250 Company controlled Sales Agencies throughout the United States and Canada.

FRIDEN
CALCULATING MACHINE CO. INC.
FACTORY AND HOME OFFICE — SAN LEANDRO, CALIF.

entered the University of Colorado, intending to be an engineer. But at the last moment he registered for law. In the summer he took over the university's fraternity houses and operated them as tourist lodgings. When he graduated in 1915, the *Coloradoan* said:

"He manages to get the running of everything to which there is a stipend attached."

His plan was to practice law at Rock Springs, Wyo. Instead, he got a bargain in a ticket to Utah. A traveler who had bought a round-trip ticket from Salt Lake let Odlum have the return portion for $5. At Salt Lake City, he went to work for the Utah Power and Light, a subsidiary of Electric Bond and Share, for $50 a month. He married Hortense McQuarrie, daughter of a Mormon elder when he got a raise of $25 a month. After two years he was sent to the New York law firm which represented Electric Bond and Share.

A story is that, when he and his wife were invited to dinner at the home of one of the men in the office, he only had a pair of tan shoes. So he and Mrs. Odlum painted them black and the paint annoyed the other guests at the dinner.

Busy buying up properties

BY 1921, he had become a member of the law firm and the then head of Electric Bond and Share, Sidney Z. Mitchell, made him vice president of Electric Bond and Share, and from 1926 to 1929 kept him moving pretty much over the world buying up utility properties. While thus traveling he would keep the cables hot directing the investment pool in which he was interested on the side. Before this pool was organized he went into the market on his own and, acting on the advice of his older associates, took a loss of $30,000. He had considerable difficulty paying back the money he had borrowed.

The $40,000 pool was never to experience such trouble, except that in 1926 its assets of $6,000,000 were cut in half, only to come back.

In 1935, Odlum and his wife were divorced, although she continued to manage Bonwit Teller until a few months ago. They had two sons.

Subsequently, Odlum married Jacqueline Cochran, the famous aviatrix, who also has had a spectacular rise in life. She was orphaned at the age of four in Pensacola, Fla. The family with whom she was sent to live in Columbus, Ga., were in poor circumstances and she went to work in a beauty parlor at the age of 11 at $1.50 a week. She became a beauty operator and then trained to be a nurse. She went to New York and got employment in the cosmetics department of a specialty house. She took up aviation and now holds 17 aviation records including the international 12,000 kilometer open class in which she attained a speed of 332 miles an hour. In 1938 she won the Bendix transcontinental trophy race; she also holds the woman's national altitude record. This year she flew a bomber to England.

She owns considerable property in her own right—a cosmetics establishment in New York, a sheep farm in Arizona

and a date farm in California. When she flies down to Washington to see her husband she usually makes it in 45 minutes in her racing plane. Regular liners require an hour and a half.

Odlum's zest of life is acquisition and out-trading his fellows. One of his boasts is that on at least three occasions he has obtained control of a corporation before the directors knew he was angling for it. At times he gives you the impression of shyness and, if you are discussing a deal, he affects an air of utter disinterest. He is likely to keep his feet on the desk and look entirely away from you. He travels on his nerves and, earlier in his exciting career, suffered a stomach disorder. Since then he hasn't eaten red meat or raw fruit. He doesn't drink coffee, tea, liquor or even orange juice. A friend, wanting to check his reputation of not touching liquor, once asked a waiter in the Savoy in London "to bring Mr. Odlum's usual drink." The waiter brought milk. He is a steady cigarette smoker. He is a duffer at golf and doesn't like bridge; he does like backgammon.

For relaxation he makes clay models, which he generally destroys. Also he has a squash court in connection with his personal office on the top floor of the Goldman Sachs building in downtown New York.

Atlas' offices are in New Jersey, where a staff of 100 under Odlum's brother-in-law, L. Boyd Hatch, executive director, look after the corporation's ramified activities. His chief philantrophy is the New York Neurological Institution.

In the S.E.C. hearings on investment trusts he prepared a long tract on the future of investment trusts which drew favorable comment in New Deal circles.

Trend of car ages

AUTOMOBILE registrations are defining a trend towards higher figures for car ages. In 1935 only 14 per cent of the passenger motor vehicles were nine or more years old, but in 1940 the proportion rose to 24 per cent.

Because of the upward swing in sales of new cars in the last half of the 30's, with the birth rate of automobiles far above that of humans, cars in the younger age groups increased substantially. In 1935 passenger cars less than five years old constituted 37 per cent of all cars in use. By 1940 this group had increased to 52 per cent. A sharp concurrent decline was noted in the middle-age car groups. In 1935 about 49 per cent of all passenger cars were between five and nine years old. By 1940 this group constituted only 24 per cent of the total.

Total passenger car registrations in the United States increased by nearly 5,000,000 from 1935 to 1940. Major part of that expansion in automobile ownership, the American Petroleum Industries Committee believes, took place among families with modest incomes.

On most of the cars in the older age group, according to the Committee, the average annual tax burden equals or exceeds the cash value.

All right if you keep it locked up



Keep your car tucked away in the garage, out of traffic's hazards, and you can do without automobile liability insurance. But you bought your car to be used! Dare you risk the loss of savings, home, and months of income through a single uninsured accident?

Free your mind of worry. Insure with Standard of Detroit. Then, if you become involved in an accident, Standard will act in your behalf and, when lawful claims result, pay damages to the limits of your policy.

Standard Service, Standard Selective Ratings and the Safe Driver Reward all combine to provide utmost security, wherever you go, at low cost.

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The MAP of the Nation's Business

By FRANK GREENE



SEPTEMBER saw little change in total industrial activity as non-defense manufacturers, hard hit by priorities and production quotas, sought outlets in defense work. Steel output held steady at previous record levels, despite the growing scrap shortage. Automobile quotas and material scarcity resulted in smaller output totals than in September, 1940, with plants undertaking increasing war orders. Airplane deliveries and ship launchings touched a new high.

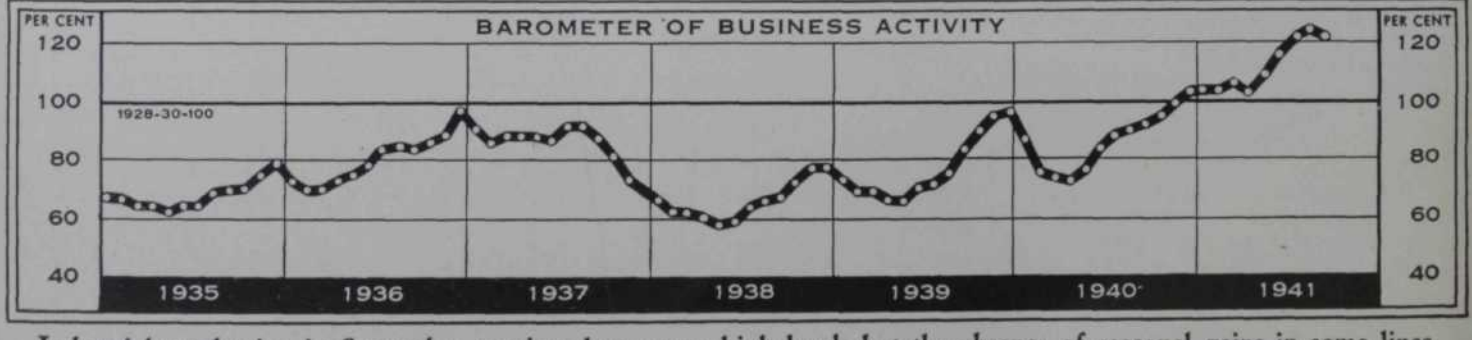
Carloadings registered the best weekly totals since 1930, but steel shortage held up new rail equipment. Engineering awards were close to August levels but non-defense housing suffered from materials scarcity. Electric output set another record.

Stock market values declined on increased volume, despite higher dividends and increased commercial loans, while commodity prices touched 11-year tops, due to increased food costs. Month-end buying in anticipation of new taxes offset earlier declines in retail sales, resulting from installment restrictions. Increased employment, wages and farm income left their mark.

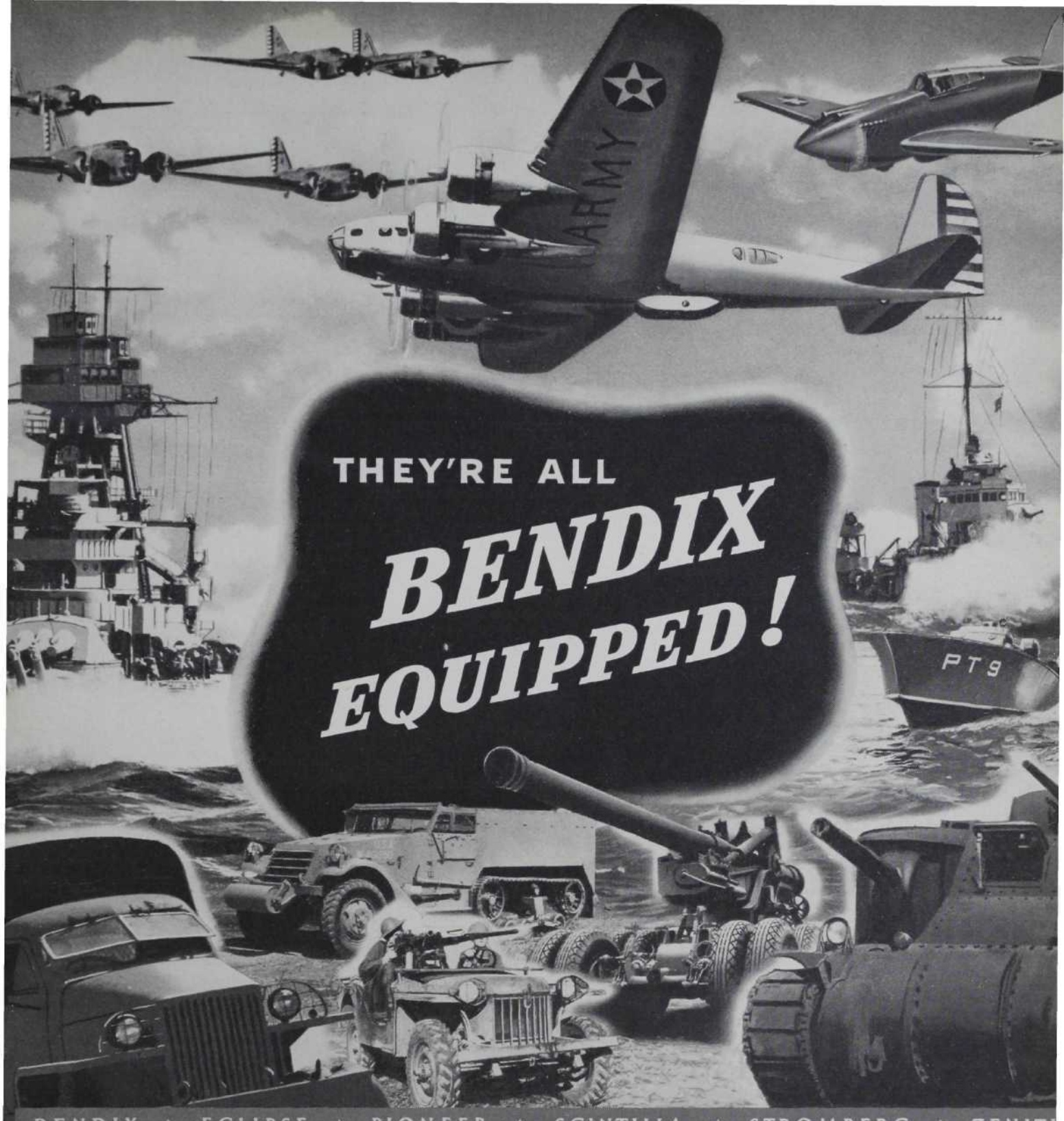
Again every reporting district records conditions improved from a year ago, resulting from defense spending and farm income



The map of last month



Industrial production in September continued at recent high levels but the absence of seasonal gains in some lines caused a slight decline in the Barometer after an almost continuous rise for about a year and a half



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BURBANK, CAL. • WINDSOR, ONT.

Everybody's "Uncle"

(Continued from page 23)

the deliberate intention of abandoning it. But, with your wife's wedding ring, or father's watch, or the family silver, you'll be back.

"Sentiment loans" are often made for far more than the article is worth and yet, in the long run, we find them safe. If an article really means something to a customer, the dealer will lend more—the article becomes a "preferred risk." In New York's Harlem, pawnshops at the end of the week accept hundreds of washboards from husky colored women. At an optimistic estimate, these washboards might bring 3c each. The standard loan is $1. Rusty electric irons bring $3 to $5. The pawnshop owner knows that the women will be waiting at his door Monday morning because these articles are their implements of trade.

Items with a high loan value

SIMILARLY, a workman's tools, a musician's instrument, a newspaper man's camera, bring far more from us than their resale value. We are reasonably sure we will never have to resell them. Wedding rings are our special weakness. Innumerable wives and widows come with tragic stories their husbands paid $15, $20, $25 for a ring that we can tell at a glance is brass. But, if a woman wants anything within reason, we keep the husband's secret and give it to her. We know how she feels about her own wedding ring.

Pawnbrokers are all supposed to have chronic dyspepsia, a glassy eye and a stony heart. Like hotels, landlords, public utility companies, and railroads, we are fair prey for chiselers and crooks. If a pawnbroker speaks of having been gypped, the public's first and only thought is that he has innocently bought stolen merchandise. In a high class pawnshop, that is among the least of our worries. Our close cooperation with the police, our "sixth sense" of trouble, our knowledge, both of merchandise and human nature, are our safeguards.

Even if we make a mistake, and assume the role of a "fence," at least the transaction itself is simple and direct. The thief puts on a good act and fools us. It is more subtle forms of dishonesty which make legal bills a costly part of our overhead.

"Hockers" account for many of our bad dreams. A professional "hocker" is a second-hand dealer who buys merchandise (usually jewelry) at distress sales, pawns it for more than he paid, and then abandons it.

Since professional "hockers" are known, they engage girls to do their work. In Boston, Philadelphia, Chicago, New York, many of the larger "hockers" have crews of 20 to 30 girls working for them. They change their employees frequently, so we will not get to recognize them. Next week a new musical show opens in Philadelphia and it will probably cost me money. A number of chorus girls will take on hocking as a side line.

Yesterday a "hocker" bought a diamond ring from an estate for $50. Today a charming girl enters my shop and wants a loan on a diamond ring—the same ring—only I don't know it. I say "$60." She wants $100—her little sister needs an operation. I explain patiently that, if I have to sell the ring, it will only bring me $50 to $55 at most. Her underlip quivers.

"But you'll never have to sell it. It's my dead mother's ring. I've never been parted from it. I won't sleep until I'm able to redeem it."

Believe it or not, pawnbrokers are susceptible to beauty in distress, so we compromise at $80.

The girl goes back to her employer with the pawn ticket. He takes it out to his clients and gives them a sales talk.

"You see this pawn ticket with ——'s name on it? If that old devil lent $80 on a ring, you can bet it's worth double that. But I'm temporarily short so I'll sell you the ticket for $10."

The customer bites and is actually grateful. The hocker has made a profit of $40, less his commission to the girl.

This operation might be termed "legitimate hocking." It involves sharp practice, but no actual fraud. There are, however, unsavory offshoots for which the public must be on guard. A legitimate pawn ticket gives to merchandise something that the merchant who sold it originally did not give it—a loan value. Dishonest "hockers" and dishonest pawnbrokers take advantage of this to manipulate pawn tickets. For instance, two crooks will get together and the "hocker" will say to the pawnbroker:

> Stamp my ticket with a date nine months old. I'll sell the ticket for $5, but, when the customer comes in and redeems the article, we'll split the interest.

Sometimes a shady pawnbroker will issue batches of phoney tickets on articles he owns personally, manipulating both the prices and the interest dates on the ticket. So I say to you, never buy a pawn ticket, no matter how great a bargain it seems, unless you know the person offering it for sale, the circumstances prompting the offer, and the reputation of the pawnbroker.

We ourselves are frequently cheated. The best shops have every type of testing equipment and carefully inspect all offerings. But the small shops, often understaffed, in rush periods can only give customers three or four minutes each. There isn't time for exhaustive testing even if they had the equipment. Besides, new merchandise is being developed rapidly and a certain time must elapse before satisfactory tests can even be devised.

When Japanese pearls came out, customers tried to pawn them as orientals. Today many pawnshops refuse to accept pearls, they can be simulated so skilfully. When Japanese mink (dyed weasel) appeared, customers passed it on as eastern mink. Some of the first American made oriental rugs were pawned as genuine orientals.

Fur and cloth coats are often a problem—the women transfer from their other clothes labels of world famed couturiers and furriers!

When white gold originally appeared, fake jewelry manufacturers stamped it platinum. Diamonds are reset in rings in ways that make them look larger; of course we can't pull a stone out of a ring to weigh it. An apparent one-fourth of a carat increases the loan value at least $25. Diamonds are cut in half and the top half is pasted invisibly to a white sapphire. Yellow and off color diamonds are rinsed in blueing which gives a lovely color. We wash all diamonds in alcohol to test this. A watch is marked seven jewels and a crooked dealer raises it to 17. Worthless old movements are put in good cases.

Many tricks are used

AND don't even mention teeth. Until comparatively recently, only gold could be used for dental plates. Someone would tell us a desperate sob story: he was so hard up he would have to hock his gold plate and live on liquid nourishment until he could redeem it.

Feeling confident of redemption, we lent a high price, not realizing that dentistry had devised a means of using white metal coated with gold. We couldn't even use the gold acid test, because white metal reacts like gold. So we decided to use a magnet, which attracts white metal.

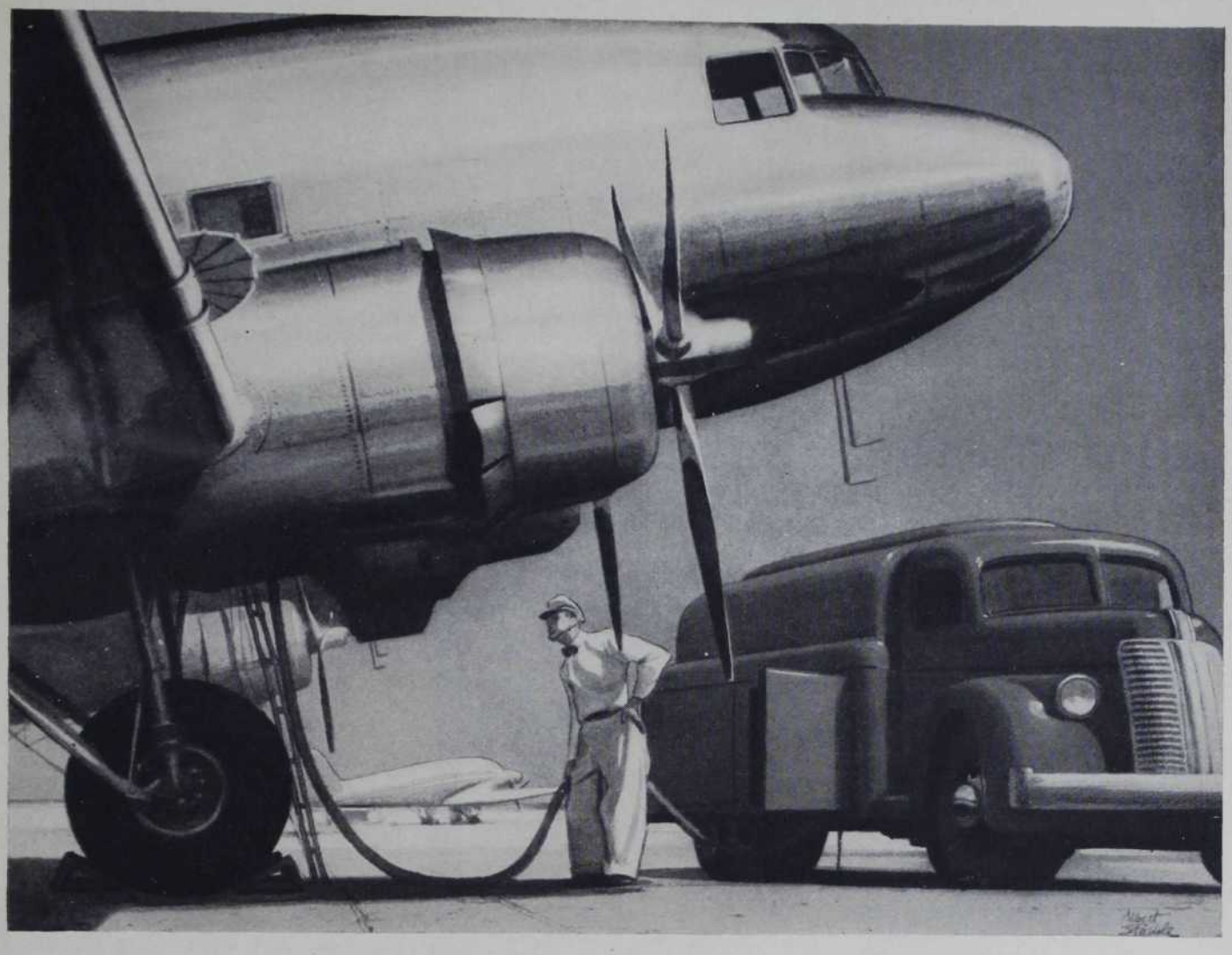
But the crooks went us one better. A man would come in with a genuine gold plate. Naturally it would pass our magnet test. Then he would sorrowfully shake his head and tell us he was going to make one last appeal to a friend before pawning the teeth.

A half hour later he would return, take his plate out of his mouth, say "it's no use, our friend wouldn't give me the money."

But, in the intervening half hour, he would have substituted a white metal plate!

Years of experience sharpen our wits and teach us how to avoid pitfalls. My old uncle always used to say, "Don't look at the merchandise, look at the customer." I flatter myself I can tell, 99 times out of 100, whether a hard luck story is true. How? Well, partly from observation, partly inductive reasoning, a state of open mindedness, not too hard-boiled, not too sympathetic—a dash of intuition!

I see a prospective customer, for instance, hovering nervously outside the shop. He looks up and down the street. He comes in anxiously, peers around, and then walks over to the darkest corner. Do I suspect that he has just committed a burglary or that he is about to hold me up? Not at all. I know he is merely embarrassed, fearful of the humiliation he would feel if his friends saw him in a pawnshop. If "he" is a woman, and she refuses to tell her husband's name or business, am I apprehensive? No. Many personal loans are solicited secretly by husbands and wives so that, without the knowledge of the respective spouses,



How far can a gallon of gasoline fly?

HARDLY A DAY passes that we don't read of some new airplane that shatters all previous records for speed, size, cruising range or carrying capacity. Airlines, many of them stretching across oceans and impenetrable jungles, are constantly being expanded as ways are found to make a gallon of gasoline fly farther and faster.

Spurred on by the requirements of national defense, American engineers have redoubled their efforts to produce more power from each gallon of fuel and for each ounce of engine weight. Today, years of progress are being crowded into months and weeks . . . and few would venture to predict what tomorrow will bring.

For even today's most efficient engines can convert only a small portion of gasoline's potential power into useful work. There remains a vast reservoir of unused energy that stands as a constant challenge to the engineers of both the aviation and petroleum industries. Only when we know how far they can go in the practical development of fuels and engines can we tell how far or fast tomorrow's gallon of gasoline will fly.

Ethyl is privileged to help in this important progress through both product and service. Ethyl's products, anti-knock fluids containing tetraethyl lead, are used by oil refiners to improve gasoline. This, in turn, permits engine designers to increase the efficiency of engines—not only for airplanes but for all types of gasoline-powered equipment: automobiles, trucks, buses, tractors and military vehicles.

Since both engines and their fuels are inseparably related in their development, Ethyl research workers cooperate with both engine builders and fuel refiners in solving mutual problems. Our research laboratories at Detroit and San Bernardino function as a "clearing house" for technical information and help coordinate many individual research efforts. We also contribute the results of many of our own experiments with fuels and engines.

Thus, by supplying an essential product and by assisting technical men in various phases of gasoline power development we are, we believe, contributing to progress that will be of lasting benefit to the nation.

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they can lend money to some relative on their own side of the family.

Numerous small actions have a significance. A "hocker" generally takes a ring out of her handbag, the owner takes it off her finger. Has the ring soap on it? If not, it is probably new merchandise, and we're suspicious. Is the jewelry initialed? Do the initials correspond to the name given us? If not, can "the owner" tell us the initials. You'd be surprised to know how often he can't!

We judge people also by the way they accept and count money. If they accept the money carelessly, hardly count it, and stuff it in their pocket, it's not so good. If they put the money and the ticket away together, they've been sent in by someone, and are probably "hockers." If they count the money carefully, and hide it on their person, we feel safer. Incidentally, if you're ever in a Philadelphia pawnshop, and hear the boss say to a clerk, "The number on that ticket is 227," you have probably been listening in on the secret code warning. That number means, "careful, you're dealing with a hocker!"

We are suspicious of new or nearly new merchandise, not only because we fear it will be abandoned, but also because customers frequently pay one instalment on an article, pawn it, and leave us holding the bag. In fact, the whole question of honest title is one of our worst headaches. Not necessarily "honest title" in the sense of stolen property, but every conceivable type of mixup involving department stores, mail order houses, relatives, employers, and friends. Only recently a man offered me a watch and chain, obviously new. I was afraid he had paid only one instalment. He showed me a receipt marked "paid in full." I made the loan only to discover a few days later that he had given the jeweler a bad check.

Another well dressed, cultured man tells me in agitation he needs money on his jeweled shirt studs, never used, because his wife is going to have a baby. If he had been a poverty-stricken foreigner, he would probably have had his wife with him and introduced her with pride. But I think my well dressed customer is lying. Men of his type don't tell their intimate life to strangers!

On the other hand, we like to deal with soldiers, sailors, policemen, firemen, anyone in uniform. A uniform seems to give a man a sense of dignity and responsibility. Colored people, and first and second generation foreigners, are reliable clients.

"Fast ladies" and "ladies of the old school," miles apart morally, are alike in one way: they both keep a stiff upper lip and tell no hard luck stories.

Some bargain for sale price

WITHIN reason, we are also skeptical of people really seeking a free appraisal of their valuables, or of customers who try to jockey the last $5 out of us. These customers ordinarily have no intention of redeeming the article. After all, you wouldn't go into your bank and bargain to find out how much they will lend you if pushed. Instead, you say, "I need $200, $300"—whatever the sum may be—"for such and such a purpose." You borrow as conservatively as possible, because the less you borrow, the easier it will be to repay. For that reason all honorable pawnbrokers will encourage you to borrow only what you need.

The next time you are tempted to denounce pawnbrokers, try to picture this:

Throughout America there are still hundreds of "neighborhood shops," operating on capital of $10,000 or less, lending mostly to the needy. Many are literally holes in the wall, on shabby streets in poor sections with dirty windows cluttered with heterogeneous merchandise, and genuine cobwebs inside! The proprietor generally lives upstairs or in the back, has one poorly paid assistant, makes loans averaging $2.50 to $3.25, and is satisfied with a bare living.

Then there are the large central city pawnshops, usually in large metropolitan areas near the sporting and amusement centers. These cater to that section of the American public which lives just beyond its income, anticipating next month's salary or dividends.

Finally we have such patricians of the business as the Provident Loan Society of New York, founded in 1894 as a semi-philanthropic enterprise, which in 1938 made 730,535 loans totalling $36,388,642. Or "Uncle" Simpsons, also in New York, dating back to 1827, which just opened a new home of Georgian and Colonial brick with engraved invitations to tea.



Both the Provident Loan and Simpsons have no merchandise on display. Inside and out, with their polished counters and screened windows, the atmosphere is comparable with a bank. It is true that interest rates are high, although The Provident Loan charges only nine per cent a year, and some New York pawnshops ask but two per cent a month. The maximum rate permitted by New York State Law is three per cent monthly for the first six months on loans under $100, two per cent thereafter. On loans of $100 or more, the maximum is 18 per cent yearly.

As you can see, interest rates and legitimate charges allowed vary widely, but most states exempt pawnbrokers from the low interest requirements of the usury laws and make little attempt at regulation of interest charges. Too often this means interest rates are set at what the traffic will bear. But, in the last analysis, the real consideration is the value of our services!

What are these services?

To begin with, we make loans to those who can seldom get money elsewhere: loans which do not call for repayment by your friends if you default, or for mortgage foreclosures, wage assignments, or salary attachments. We make loans quickly; you sign no note, no fines are charged for delinquency in making payments; no collectors will chase you, no lawsuits are brought for repayment. Unlike a bank, we cannot collect a deficiency judgment if we have to sell your pledge for less than we lent on it.

It is true you lose your pledge if you do not redeem it, but you limit your loss to this. You have really sold us your property, and retained an option to rebuy it at a higher price within a specified period. But, if you honestly own a pawnable article, we do not care whether you have a friend, a job, what your income is or what it will be.

There is a growing tendency toward legal regulation of interest rates and extra charges. No high class pawnbroker will object to laws that protect him against the racketeers in his own ranks. But we should be consulted and represented on committees drafting laws for the regulation of our business. Although pawnbroking is recognized as one of the types of consumer credit agencies in this country and accounted for approximately $160,000,000 in loans in 1938, a pawnbroker is seldom seen or heard on state banking committees.

Pawnshops of the future will be bigger, better and cleaner! There will be more women on both sides of the counter. We will deal in finer merchandise, and offer additional services to our clients. There will be a more adequate understanding of our place in the community, a recognition of our true value. Perhaps I am an optimist, but I look forward to a time when "Uncle" will no longer be a term of opprobrium, but a term of endearment.

After all, pawnbroking, like any other business, is honorable or otherwise, according to our own conduct and ideals. Only by the continued honesty and decency of our actions can we justify ourselves, and convince the public we are carrying on a fine tradition!



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Brains vs. Priorities

(Continued from page 46)

and look much more profound. And we have been assuring the customers that these wizards see all, hear all, know all, and make our product superlative because it's the last word in science——"

He laughed.

"Now, we've got to go to them and say, 'Here, if you fellows know as much as we've been telling the customers you do, get busy, and invent us out of these priorities!' "

He paused again.

"You know something? They'll probably do it!"

To see yourself as you may be a few months hence, look back to last winter, when industrial leaders were assuring us that defense would not interfere with everyday business. There was plenty of everything. Defense would be just some additional business, adding prosperity.

Now we know that everybody was wrong, and already those days seem very remote.

A few months from now, the present indignation and bewilderment will have cleared. At the moment, business men discovering shortages are inclined to criticize priority officials. They are the fellows who say "You can" or "You can't," and make the handiest whipping boys.

But already, business men are discovering that priority officials are business men, and that they can go to them with a problem, as they would in a big corporation.

One Los Angeles manufacturer, with both war and civilian production, had some scrap material left over from aircraft parts. It was good material for a civilian product—but would it be right to use it?

He asked the priority officials. They said, "If you believe it's right, and not interfering with your defense work, go ahead. We want to interfere with private business as little as possible. Use your judgment—and don't get us in a jam."

Change plans and go on

AFTER indignation passes, we will be ready to study our re-designing jobs, which are endlessly diversified.

In some instances, our product needs merely a face-lifting, like Bart Bonebrake's aprons, the substitution of elastic for steel.

In other cases, it will be necessary to start re-designing at the beginning, because a substitute introduced into the product will change several factors in the basic design. When we go behind them to provide compensations, we find other factors changed. So, we will see that it is necessary to make changes and provide compensations all up the line.

Suppose that Bart Bonebrake, after finding a substitute for clock-spring steel, was told that he could not get cloth.

His aprons are popular for barbecues and parties because he prints comic strip characters on them—suppose he could not get colors, or photoengravings! There was a printing ink problem during the World War, caused by the shutting off of German dyes, and every stamp collector knows which United States stamps were printed during that shortage.

For cloth, Bart might have to substitute something else—it might even be paper. For printing, there are substitutes—burning through an asbestos stencil would be an extreme substitute.

Bart Bonebrake makes a living out of aprons, people want aprons, and a little fun with them in war times. If thinking, and experiment, and help from others can save his business, he will go right on.

Substitutes or new designs?

HERE is an oil equipment company, bothered because stainless steel springs cannot be obtained. The equipment goes into places where corrosion quickly eats up other springs.

"Use a substitute for the duration," was suggested. "Tell your customers the substitute spring needs changing every so often, and give them a good supply of replacements."

"That might do it," agreed the company's chief engineer. "Only, every time they changed springs they would have to shut down the whole plant! What do you suggest for that?"

But he added, "If we can't get springs before long, we will really go to work, and find the answer. It might mean radical improvements in our whole design."

Each product and business reveals its own story of shortages, each fellow thinks the other fellow's problem is easy, the situation has not got to the point where business is willing to declare that an emergency exists in the design, but that is coming pretty fast.

Some of our manufacturers have passed through the fever stages, and learned to re-design, because they had dress rehearsals a year or more ago in their Canadian branches.

One Los Angeles engineering concern, finding structural steel cut off in Canada, discovered that cast iron is abundant, and an excellent substitute in many places.

When shortages developed in our own country, cast iron resources were surveyed, and found ample. Foundries as far away as Alaska are available to this company. Concrete is another flexible substitute for steel in many engineering structures.

"But where do you get steel for reinforcing?" was asked.

"In Canada, we found plenty of reinforcing steel. Had it not been available, we would have used old hayrake teeth, worn scythes, rusty barbed wire. Our equipment calls for pretty nearly everything on the priorities list, but for much of the scarce stuff we have found substitutes. When the worst comes to

the worst, and we have to have the real thing, we advise our customers to ask for a priority—and you'd be surprised how often their work is regarded as essential, and they get it."

The pinch in materials is fully realized, but not all business men are yet aware of the pinch in other things, like labor.

On the Pacific Coast, the past 20 years, many local factories have been established to make products formerly brought from the East. In most cases, these manufacturers have had hard times getting started, and winning some of the market against the competition of large concerns.

Suddenly, they find their eastern competitors disappearing. Either they are unable to ship through the Panama Canal, or are too busy with home customers and defense work to maintain activity in distant markets.

"Hurrah!" cries the local manufacturer, "I've got the market to myself."

But he soon discovers that he has inherited responsibilities as well as customers. He needs twice his normal production and has difficulties in shortages.

Quality saves material

ONE Los Angeles manufacturer has hit upon a policy that promises relief in many other lines of business—he will push quality products for the duration.

He makes a variety of replacement parts and repair materials used both in industry and homes. He has always made all grades.

To make either the cheap stuff or the best grade, he uses about the same amount of labor and transportation. The difference is in the quality of material used.

His best grades will last about five times, often ten times, as long as the bargain counter stuff.

Therefore, by selling the best quality, and urging it upon his distributors and the public, he eliminates the repeat sales, hauling and installation necessary with cheap stuff.

Defense shortages are suddenly bringing to light resources which have been under development for years.

Eighteen years ago a practising optometrist in Montrose, Calif., took up chemistry for a hobby, and got interested in fireproofing agents. Among numerous things worked out was a liquid which, sprayed on grass, would make it fire-resistant. The grass would smoulder, but not burst into flame, or scatter sparks.

Now, around Los Angeles there are hundreds of miles of firebreaks, cleared through the forests and brush. Every spring, it has been necessary to clean them.

Men with hoes, climbing like goats, cost $500 to $1,000 a mile. Defense has taken the labor to clear firebreaks—but here is the optometrist's spray! Two men with a power sprayer can fireproof a mile of grass in a day.

In the fever stages, defense and priorities are endlessly interesting.

Tomorrow, when the job of re-designing is clearly visualized, they will be much more interesting.

Service Men's Burdens Eased

TAX concessions to men in military service are on statute books of many states as a result of 1941 legislation. Waivers of automobile license taxes or registration fees, exemption of homesteads, and deferment of income or property tax payments are most common provisions.

Five states—Arkansas, Maryland, Minnesota, Wyoming and North Dakota—exempted motor vehicles of service men from registration fees. First four states granted exemption to non-residents operating cars. North Dakota allowed the privilege provided the service man's home state reciprocates. General reciprocal agreements in states permitting out-of-state residents to operate cars under their own state licenses for the duration of the license year, the Federation of Tax Administrators reports, will apply also to men in service.

Exemptions affecting operators' licenses were enacted in Connecticut, Oklahoma and New York. Connecticut exempted service men from taking examinations and paying license fees. Oklahoma granted soldiers of the United States Army an extension of their drivers' licenses to January 1 of the year following their discharge, provided they do not drive their private cars while in service. New York provided for renewal of operators' licenses without examination within three months after termination of service.

New Hampshire, New York and Wisconsin were among states enacting provisions for refunds to draftees on the unused portion of this year's automobile licenses. New Hampshire, in addition, granted service men the right to register vehicles for the remainder of the year in which service is terminated.

Homestead exemption acts of Iowa, Michigan and Minnesota were amended to include clauses for men called into military service. Michigan's amendment provided that real estate used as a homestead by any person in the armed service is exempt from all taxes during service and one year thereafter. Exemption extends to homesteads worth $2,000, but if a service man owns a total of $5,000 in taxable property, he is not eligible for exemption. Iowa's new provision applies only if the homestead tax credit was given the year before.

Deferred payment of taxes was granted in several states along the lines of the Soldiers' and Sailors' Civil Relief Act passed by Congress in 1940 which gives service men the privilege with respect to income tax and property taxes. Among the states were Washington, Maryland and New York. Maine, New Hampshire and Vermont exempted service men from payment of poll taxes, which in these states are not a prerequisite to voting.



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The Money Markets

By Clifford B. Reeves

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Government Runs Capital Markets

IN RECENT years the ratio of government financing to total financing has steadily increased. The financial operations of governments and their agencies now dominate the capital markets. The financial center of the nation is no longer Wall Street, but Washington.

The defense program, as might be expected, has accentuated this trend. Defense plants that are to be built and managed by industrial corporations, for instance, are usually not financed by the companies in question, but by the Government itself. On the other hand, companies that might want to build and finance new plants for civilian needs are being prevented from doing so by priorities, which again restricts the volume of corporation security issues. So the area of government finance continues to increase while the area of corporation finance continues to shrink.

Investment bankers are naturally perturbed by the Government's increasing domination of the capital markets; first, because it reduces the emissions of corporate securities on which their business largely depends; second, because they feel that the Government is being prodigal with its credit in financing many projects that could just as well be financed through corporate issues.

For these reasons there was widespread approval in the financial community of the proposal recently made by Emmett F. Connely, president of the Investment Bankers Association, for a new "finance division" of the national defense organization. Its purpose would be to organize the private capital markets, so that they could free the Government from further financial obligations wherever possible. A second purpose would be to help in planning the post-war economic readjustments, so that jobs in private industry, rather than "made work" under government auspices, would provide the solution.

6% Profit But 100% Loss

SECRETARY Morgenthau's suggestion that corporate earnings be limited to six per cent on invested capital had an unsettling effect on security markets. The shock came not only from the suggestion itself, but also from the sudden realization of the Government's unlimited powers to control business.

When a Government has the power to wipe out profits through taxes, or confiscate private business property, how can security markets show any strength? Investors never know what the Government will do next—and it has the power to do almost anything it chooses.

Most financial observers felt that Morgenthau's recommendation was highly irresponsible, and not well thought out before it was proposed. "On what," they ask, "would the six per cent be based?"

Would companies that had made foolish investments in useless and excess facilities be allowed a profit on those, while companies that had kept their plant investment at an efficient minimum were penalized? What would the basis of valuation be? Historical value? Depreciated value? Stated value of capital? It took about 15 years of work to determine the fair value of railroad properties alone.

If corporate earnings are limited to six per cent, the system of private investment will probably break down completely. Who will invest new money when the limit of earnings is six per cent, but the possible loss is still 100 per cent? The answer is: nobody but the Government itself. And there are some who believe that complete government domination of capital markets was the basic idea behind the suggestion for such drastic limitation of corporate earnings.

Critics of the proposal also ask what would happen to small businesses. They have already been hard hit by the combination of priorities and lack of defense business. If their profits were limited to a meager six per cent, they would have no chance whatever to lay up reserves against post-war business difficulties. New businesses, without adequate reserves from past earnings, would also be placed in a highly dangerous position.

A. T. T. Deal Creates Furore

THE recent A. T. & T. debenture offering brought more surprises than any piece of financing in recent history. It had all of Wall Street in a dither for weeks.

The first surprise came when the Company, which was not bound by the competitive bidding rule, decided to ask for bids anyhow on $90,000,000 of debentures. This decision broke A. T. & T.'s 35-year relationship with J. P. Morgan & Co., and Morgan, Stanley & Co., which firms had successfully floated about $2,000,000,000 of telephone securities.

The second surprise came when a group of three insurance companies, headed by The Mutual Life of New York, decided almost at the last minute to submit a bid in competition with the investment banking syndicates.

The third surprise came when the insurance companies won the award, with a bid of 101.842 for 35-year 2¾ per cent debentures, which was equivalent to 2.67 per cent basis. The next highest bid of 101.017 was that submitted by Morgan-Stanley in association with 27 other houses. Halsey, Stuart and Mellon Securities, whose syndicate comprised some 175 firms, bid 100.26317. Thus the insurance company bid was $8.25 per $1,000 bond higher than the Morgan-Stanley bid and $15.79 higher than the Halsey Stuart-Mellon bid.

Investment bankers were completely sunk over the success of the insurance companies. They construed this deal as merely the fore-runner of steady competition from the big investing institutions, with whom they feel they are unable to compete on an equal footing. This is because the bankers are bidding for resale, whereas the big investing institutions are bidding, in most cases, for their own investment.

Furthermore, although competitive bidding in the corporate field is required only in the case of utility companies that fall under the jurisdiction of the Holding Company Act, the bankers saw evidence that the trend to competitive bidding was spreading

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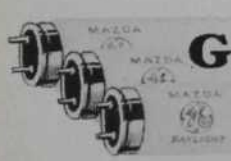


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to the industrial and railroad fields as well. Companies not required to finance by that method are beginning to do so because they think "that's the way Washington wants it." The universal acceptance of competitive bidding, the bankers felt, would revolutionize the entire investment banking business and place security dealers at the mercy of the big investing institutions on issues of all types.

Then only a few days later, while the bankers were lamenting their fate, Lewis W. Douglas, president of the Mutual Life of New York, whose company had headed the successful bidders on the A. T. & T. issue, said in a speech before the Mortgage Bankers Association of America that he had serious doubts as to the soundness or desirability of competitive bidding by insurance companies as a continuing, permanent practice.

The A. T. & T. deal, said Mr. Douglas, was a test case in which his company felt it should cooperate, to point up the merits and defects of the new method. But the submission of a bid in that case, he stated, was no indication that Mutual Life would necessarily engage continuously in competitive bidding.

Among the dangers and weaknesses of competitive bidding by investing institutions cited by Mr. Douglas were the way in which it would tend to concentrate the obligations of the country's leading corporations in the hands of a few big institutions; the damage it might do to the country's investment banking machinery; and the fact that under competitive bidding, the indenture securing an issue is prepared by the issuing corporation, with no one watching out for the interests of the investor.

He also pointed out that the practice frequently results in discrimination against smaller investors.

In spite of his doubts as to the soundness of the procedure, he said, he believes the insurance companies should always have the right to make such bids as a defensive measure. The solution to the whole problem, Mr. Douglas felt, lay partly with the investment bankers themselves, partly in the attitude of the big investing institutions, and partly in the need for a change in the present economic environment. He stated his belief that the entire problem could be solved by an open-minded and broad approach to the whole question.

Higher Interest May Be Coming

THE Government and banking authorities are watching the rapid expansion in bank credit, and plans are being discussed for new controls to prevent any runaway bank credit inflation.

In the past year, loans by commercial banks have increased by nearly $3,000,000,000, and government bond holdings of the same institutions have risen by $3,600,000,000. This has been the most rapid expansion for any year in the country's history. And excess reserves—which are the measure of possible further expansion—were still more than $5,000,000,000 early in September, in spite of recent gains in loans and currency circulation, and in spite of higher Treasury deposits at the Reserve Banks.

As a brake on credit expansion, the Federal Reserve Board late in September raised the reserve requirements of Federal Reserve member banks, effective Nov. 1, by about one-seventh, bringing them to their present statutory limit. This is expected to reduce the excess of reserves over legal requirements from about $5,250,000,000 to about $4,000,000,000. While this is a sound gesture, it still leaves a tremendous total of excess reserves that could serve as a base for future credit inflation. A bill is now being prepared in Washington, however, to give the Reserve Board the necessary authority to raise reserve requirements above their present statutory limit.

Most banking institutions anticipated the last increase in reserve requirements, and the move therefore caused no serious disturbance of money rates or government bond prices. But many bankers feel that, if reserve requirements are increased further, thus restricting the supply of potential credit at a time when the demand for credit is growing, the era of present low money rates may be definitely drawing to a close.

Should Life Co.'s Buy Stocks?

AT various times in the past, efforts have been made to change the New York State insurance laws to enable life insurance companies to buy common stocks. Such proposals have always been defeated.

Many of the leading insurance companies have always felt that stocks were too speculative a medium for the investment of life insurance funds. They also felt that any such move might lead to a race for speculative profits aimed at achieving low policy costs for competitive purposes. This, it was feared, would result in a weakening of the sound investment position that has always been the greatest strength of the life insurance business. Another objection was that the purchase of common stocks by insurance companies might ultimately lead to an undesirable concentration of economic power in the hands of big insurance companies by virtue of their holdings in the voting stocks of many

of the country's leading corporations. The pressure for this change is now on again, and hearings on the subject are currently being held before a joint committee of the New York State legislature. Since the subject was last seriously considered, three new factors have entered the situation and are being advanced as reasons for changing the law. The first is that the privilege of buying stocks may provide insurance companies with a way to hedge against inflation if that proves necessary. The second is that, because of the scarcity of desirable corporate bonds, insurance companies need new sources of investment. The third argument is that investment in common stocks, on which generous dividend yields are currently available, would enable insurance companies to increase the average yield on their entire portfolios.

Public Not Buying Defense Bonds

THERE are many indications that the sale of Defense bonds, instead of gaining momentum, is bogging down, due to lack of proper organization and because of insufficient promotion. In recent months, sales have been ranging only from $300,000,000 to $350,000,000 a month, and most of this total is represented by sales to corporations and large investors. The campaign has not won the wide cooperation of the general public. In August, for instance, the sales of Series E bonds, designed for small buyers, totalled only $105,000,000.

Compared with the methods by which Liberty bonds were sold in the last war, the present defense bond campaign is almost amateurish. During the World War period, when the country's income was not nearly so large as now, $24,000,000,000 of Liberty bonds were sold to millions of individual investors. At the present rate of sale, it would take six to seven years to sell that amount of Defense bonds.

The Treasury Department is reported to be opposed to any plan of "forced saving." If that is true, it behooves the Treasury to heighten the tempo of the present sales campaign so that it has a reasonable chance to succeed. Otherwise, forced saving may be the only answer, regardless of the Treasury's objections.

Under such a plan, the Government will tell you how much of your income you can spend and how much you have to save. This is efficient, of course, but it has a totalitarian tinge. It seems unfair and unnecessary to force compulsory savings on the American public until really serious efforts have been made to sell Defense bonds to voluntary subscribers.

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Price Control—Our No. 1 Riddle

(Continued from page 30)

high as 700,000 francs. Norway is in a particularly cruel food position, since normally it imports 75 per cent of its food. Black markets are scarcer here.

In Russia a black market has been a commonplace for years. Farmers, allowed to dispose of farm products arising from a cow, a pig and some poultry, have conducted their own high price black markets in spite of persecution and "liquidation."

Black markets in many countries

ITALY has a black market in coffee, rice, oil, fuel and most other articles. Early in October, potatoes, lentils, milk, cheese and eggs were added to the rationing system. Unrest among the ordinary folk has caused proclamations urging "vigilance so that the watchword 'equal restrictions for all' be severely respected."

Conditions in pathetic under-foot countries like Poland wring the heart. Under Germany, Poland endures almost literal starvation rations, without fats or milk. Even the legal prices are high; but at shops controlled by Germans any Pole who can, or will, pay the corrupt black market price can get butter at $2 or $2.50 a pound. Denmark is less affected by black market conditions, as the Germans are favoring the Danes.

What of England? Is the great all-out patriotism of the tight little isle proof against black marketeering?

Alas! No! Since food rationing began, the British Ministry of Food has to date obtained convictions in 25,000 cases of black marketeering. Lord Woolton has been conducting a press and radio campaign to make the public conscious of this scandal. A "Restrictions on Dealings" order makes possible revoking of dealer licenses, and wholesalers are prohibited from selling to any but licensed dealers.

The black market goods list is enormous, and includes practically all rationed foods; apples, lemons, bananas, tomatoes, bacon, breads, cereals, cheese, coffee, condensed milk, dried fruits, flour, frozen eggs, prepared meats, jams, spaghetti, meats, oatmeal, onions, rice, soups, sugar, etc.

But those who are willing to pay any price, ask no questions and keep mum have been able to get these foods, black market way. Dealers get their supplies much as black market men in other countries get theirs—through traders who go out into the country with trucks and buy at high illegal prices. Some of this supply is stolen goods, hi-jacked goods. Thieves operate with their own trucks, hidden depots, receivers and redistributing centers.

The Ministry of Food defines a black market as any "under-counter" or surreptitious selling at above-legal prices. Londoners pay as high as a shilling each for oranges, for example, or a comparable premium on canned meat, lemons, chocolate, eggs, fruit. Stall-holders in street markets, or off-main-highway roadside markets, a distance from police eyes, are often black marketeers.

Then there is also "a friend of a friend of a friend" who can get you a hundred weight of sugar or a York ham if you'll pay the fat price.

But let no American cavil. Under the same pressure, we would undoubtedly have a black market, even more active.

In fact, we are old hands at black markets, from the days of the Whisky Rebellion to the prohibition era. In the depression years we had one of the most remarkable ones on record—in Pennsylvania—a very literal black market—in illegal anthracite coal. This black market (free lance men mining coal on property which did not belong to them, and selling it cheap in competition with regular commercial coal), rolled up a volume of 5,000,000 tons a year.

The newest American black markets are now also arising out of war conditions here. The aluminum shortage brought temptations to set up a black market in this metal. Price Administrator Leon Henderson has definitely proclaimed that a substantial amount of aluminum has escaped from priority control. He has also asked the Department of Justice to take action against about 40 "priority profiteers" (an American fancy name for black marketeers), mostly brokers who have been in business less than a year, who obtained chemicals and sold them at 100 to 400 per cent above normal prices. A gradual change from priorities to allocations is being made. Allocation is a twin word to rationing, of course.

These straws show which way the wind will blow if the U. S. sets up any kind of rationing affecting food and drink. The black markets of Europe will "have nothing on us"—that is certain! And, as everywhere, it is the little fellow who takes the punishment when a sound and normal open market is missing or restricted.

Death Warrant for Progress

(Continued from page 17)

As I see it, we are experiencing the greatest economic tragedy in our history. We are paying the price of ignorance, fatuity and folly. There is no reason why our national annual income should not today be $120,000,000,000 or $130,000,000,000.

Consider what this vast sum, with its normal rate of increase, would amount to in another ten years. We would then have a national income of perhaps $200,000,000,000. That figure is in no sense an idle fantasy. The country would be so rich that we could then indulge in

almost any kind of "experimentation" that we might wish to undertake.

The price of admission to this genuine Utopia would be simply to preserve the steady flow of capital to industry. That is really all! If five per cent of the national income were preserved for the expansion of industry and the adoption of inventions and new processes, what a true "New Deal" it might bring!

Profits make prosperity

FACING such a prospect, it seems incredible that we should have law givers and law makers so blind to reality as to believe that the pathway to prosperity and national well-being is through the restriction of profits and the confiscatory taxation of large corporations and large fortunes. It would seem that anyone could understand that it is profits, and chiefly large profits, which have provided the capital funds for our wondrous industrial advancement and present-day wealth and well-being.

Where will it end?

Easy to see in what a vicious circle we are caught. The higher the public debt, the heavier the load of taxes. It is difficult for the corporations to pass their burdens to the consumers. Even if they could, this would mean a higher cost of living. On a lesser scale, and not so obvious, that is just what is happening today in Britain. It is caught between the upper and nether mill stones. Our United States is very rich. Relatively, England is not. It seemed to reach its industrial and commercial peak at the end of the last century. Since then there has been a much lesser rate of growth and, in later years, little gain *per capita;* the fruit of such a situation we find ourselves in now.

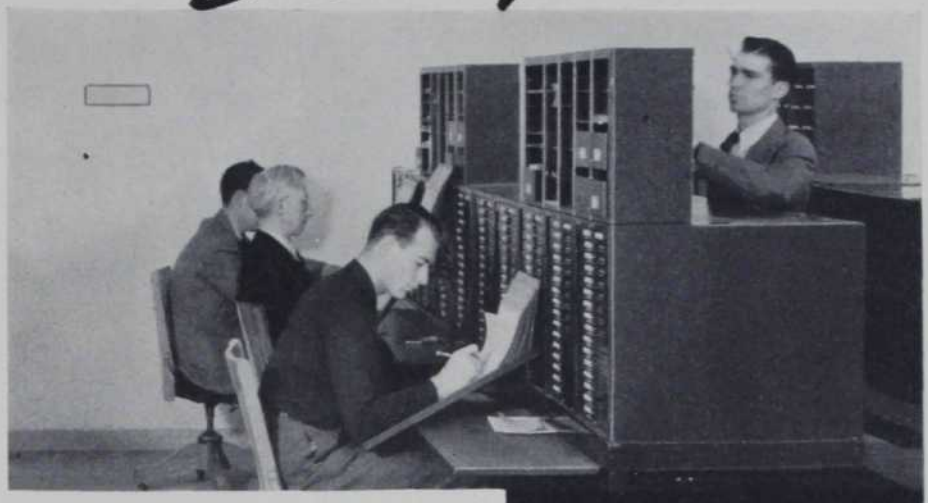
The England of 1900 was easily the richest country in Europe, if not in the world. But government expenditures grew. Liberals vied with Conservatives in lavish appropriations for schools and comforts and playgrounds.

Behind it all, the canker-worm: increasing taxation, the expropriation of capital—the vital force in modern economic life. When growth stops, the decline apparently begins.

But in one country, our own United States, we now have, I think, the full, clear, clinching proof. Our industry has grown—on the whole with an amazing steadiness—for at least a century and a half—up to 1930. This growth has been wholly the product, in a broad way, of machinery and technology. All this machinery and plant has required enormous sums of capital, accumulated from the slender remainder of profits. Destroy profits and growth stops, just as surely as it has here in the past 11 years!

The mechanism is so simple—the results so vast and resplendent—that many experience a deep skepticism. But we have now the clear, unescapable statistical proof. This knowledge of the power of profits is in part new. It runs counter to many theories and fantasies. Its acceptance will take time. But I know of no more salutary tonic for our sick world than clearly to understand the effects on our industrial life. National solvency and salvation are at stake.

Douglas



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Unwhipped Dust Bowl Heroes Won't Budge

(Continued from page 28)

to summer fallow. Behold, a share cropper becomes an economic royalist!

"I know how to farm this dry land," testifies Winkelman. "Nobody is going to resettle me."

Winkelman has no exclusive knowledge of fallow tillage. This practice was ordered in the Book of Leviticus when the Children of Israel homesteaded the arid Land of Canaan. It has been employed on the High Plains by tens of thousands. Why so few of the writers who described the Dust Bowl tragedy for eastern newspapers and magazines failed to report the fallowed farms is a mystery to western reporters.

No loss due to drouth

ALMOST anybody on the High Plains could have directed them to the 11,200 acre farm of Albert Weaver, Bird City, Kan., 170 miles northwest of Winkelman's land. In 34 years at Bird City, Weaver has suffered but one wheat failure, and that was due to rust, not drouth. In 1940 his wheat yielded 23 bushels to the acre, almost double the national average, and it was produced without a single effective rain upon the growing crop from seeding time in September to harvest in June. It was watered entirely by moisture accumulated during the previous season in the fallowed fields.

Weaver is eager to advise others regarding the best fallowing methods to serve a land which normally enjoys less than half the rainfall of eastern Kansas and less than a third that of Ohio or Tennessee. He receives so many requests for information that he has to answer by mimeographed form letters.

"The Great Plains country," he asserts, "may yet become the chief food-producing center of the United States."

Next let us question C. T. Peacock of Arriba, Colo., who, in an effort to utilize all the rain that falls, invented a lister to throw up dams in the furrows. The basins so created hold the rain so that it cannot escape by running down the hillsides. Seeking even yet more profit, Peacock sold his invention to a profit-impelled implement manufacturer, who placed the lister on the market in 1936 and has sold tens of thousands of them to farmers, thereby helping them to convert dust into bread for man and feed for livestock.

The value of the damming lister is emphasized by the studies of H. H. Finnell, formerly in charge of the agricultural experiment station of Oklahoma Panhandle College. He found that one-third of the annual rainfall is lost through evaporation and another third is lost as water runs from the fields down slopes and gullies. The damming lister, by preventing runoff, doubles the effectiveness of rainfall.

Before the invention of the damming lister, Finnell, through contour tillage, was compelling one drop of water to do the work formerly done by two. By listing fields on lines surveyed on the contour—that is broadside to the slope of the hills—he held the water in the furrows and forced it to soak into the soil sponge. In that way he grew crops in drouth years while adjoining fields produced nothing. He even contour-listed pastures and doubled the production of grass.

Finnell's accomplishments attracted the eye of Marvin Jones, then the Texas Panhandle's Congressman. Jones realized that, if the Panhandle should be depopulated by drouth, his district would be abolished and he would lose his job. Jones, then chairman of the powerful House Agricultural Committee, won the establishment of a United States soil conservation region covering the southern half of the High Plains, with the head office at his home town of Amarillo.

Finnell was drafted from Oklahoma Panhandle College to take charge and was allotted engineers, laborers and machinery galore. Throughout his region Finnell set up contour-tilled demonstration farms. He even contour-tilled the identical fields where some of the desert shots were filmed for "The Plow that Broke the Plains." A year later, with only eight inches of rain, he was producing abundant crops of grain sorghums, wheat and grass.

He even went so far as to plant trees on the "treeless plains" on 600 demonstration farms. One of the most forbidding tree sites chosen was on the farm of W. H. Miles, near Conlen, in the northwesternmost county of Texas, at an elevation of 3,800 feet above the sea and 300 feet above well water. A few stunted trees hugging the Miles well proved that the soil would support them if they had water.

Finnell's men terraced the Miles tree site so that none of the precious rain could escape after it had fallen. They supplemented this by bringing runoff water through diversion trenches from a nearby pasture. After the soil sponge had been soaked by a rain in the spring of 1935, they set out 928 seedlings with stems the thickness of lead pencils and an average height of 18 inches.

For three successive seasons the annual rainfall was less than eight inches on that farm, but the trees grew. Today 751 are alive and are as many feet tall as they were inches six years ago. It is a favorite picnic ground where children eat watermelons grown on contour-tilled fields. Perching birds, never before known to that farm, nest in the trees and sing.

During the summer of 1941 abundant rains routed dust from the High Plains. Even the poorly tilled lands were productive. Perhaps the wet arc of the weather cycle has arrived. This must not be taken to mean that, from now on, rains will fall. On the contrary, the past tells us that more dry arcs will come.

Nature is cruel to the weak, but nowhere is she more heartless than on the

High Plains where only the fittest survive. Of three well-known plainsmen—Kit Carson, George A. Custer and Billy the Kid—Carson alone survived and left a family. Not until the middle 1880's did farmers dare defy the drouth to homestead the short-grass lands. The inevitable series of dry years came in the 1890's when covered wagons of families rolling eastward congested the roads.

None but the tough and intelligent remained to reproduce their kind. Through trial and error and heartache and backache, the surviving plainsmen have evolved a dryland agriculture. Drouths compelled them to reject Ohio wheat and Illinois corn for wheat from the dry steppes of Russia and kaffircorn from the semi-deserts of Africa. Drouth taught them fallowing in the 1890's as it resulted in contour tillage and the damming lister in the 1930's. The climate forces selection of its people just as it selects its crops and farming methods.

It eliminates the Joads, and the High Plains are condemned as submarginal lands; but the unwhipped survivors, they are not submarginal!

Red Cross Roll Call

THE AMERICAN RED CROSS comes to the average American's attention once a year—this year between Armistice Day and the end of November. Then it is a roll call with nominal membership dues. But there are many for whom it is an aid throughout the year.

The work of the Red Cross is now more than ever important. The rapid expansion in our armed forces, coupled with the program of national preparedness, has, in many instances, tripled and quadrupled its work.

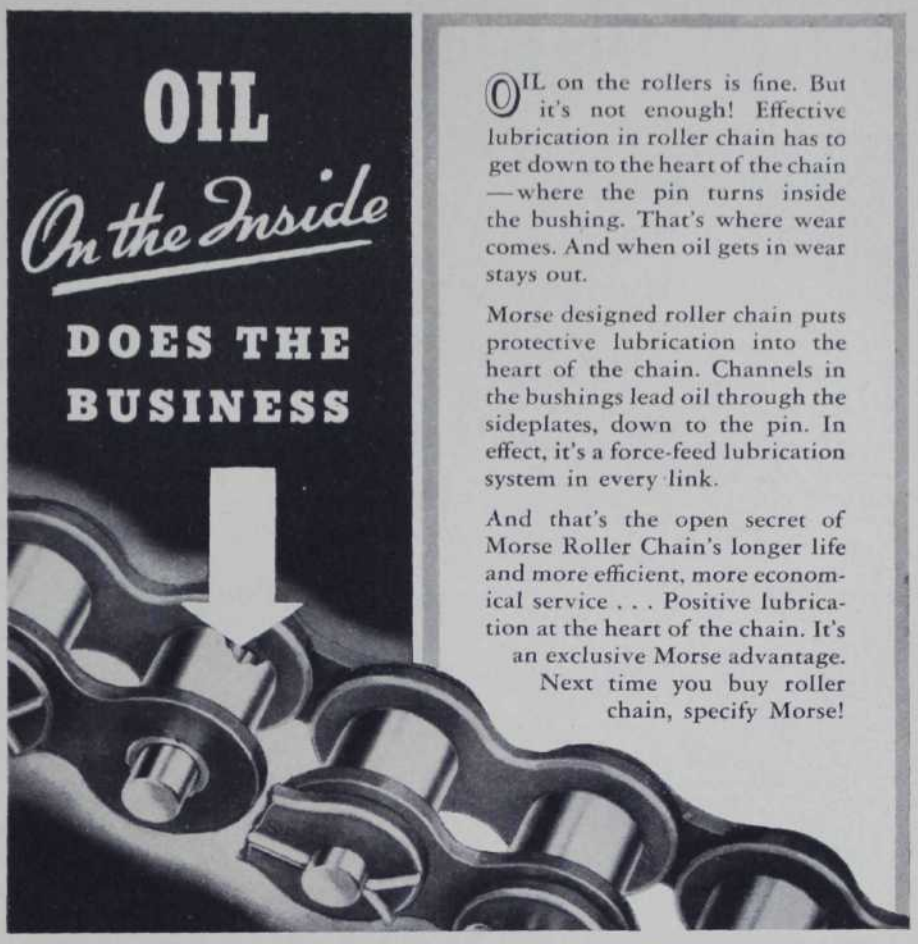
Under Army and Navy regulations, the Red Cross is the only non-military organization serving within the reservations. It maintains the official reserve for Army and Navy nurses; it is the volunteer agency for collecting blood plasma for military hospitals; it provides many articles of clothing for men in hospitals which are not of military issue.

The Red Cross, too, still gives aid to veterans of other wars and their families. Volunteers under its supervision are producing 40,000,000 surgical dressings for the Army and also performing many other useful services from recreational programs for convalescent service men to the production of braille books.

Many receive first aid training through Red Cross facilities. Training in water safety continues. Trained instructors, working through schools and other agencies, are increasing safety-mindedness among old and young. This safety training gradually resounds to the benefit of the whole populace as more and more people are trained.

More spectacular, of course, is its disaster relief. Last year the Red Cross assisted 166,000 refugees of 122 disasters. And war relief shipments under its auspices approached $40,000,000 in value of food, clothing, and medical supplies.

As the annual Roll Call approaches, bear in mind it is worthy of your support.



OIL on the rollers is fine. But it's not enough! Effective lubrication in roller chain has to get down to the heart of the chain—where the pin turns inside the bushing. That's where wear comes. And when oil gets in wear stays out.

Morse designed roller chain puts protective lubrication into the heart of the chain. Channels in the bushings lead oil through the sideplates, down to the pin. In effect, it's a force-feed lubrication system in every link.

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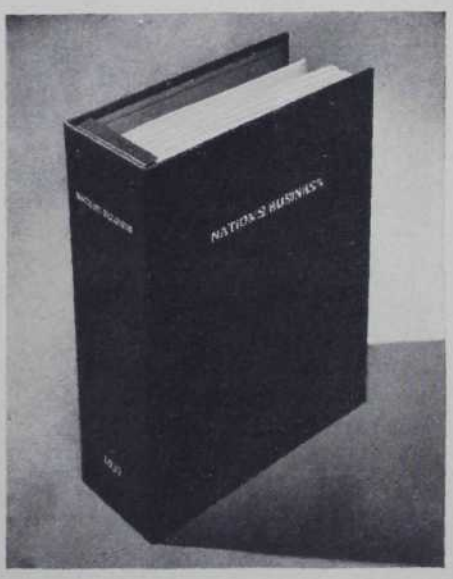
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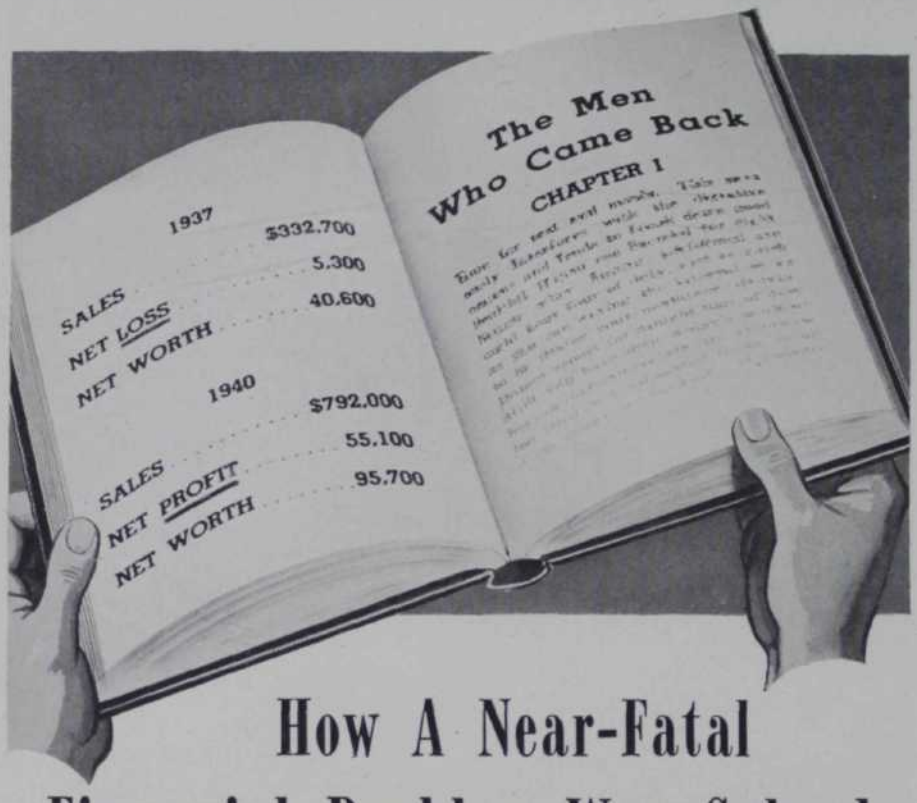
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GOOD BUSINESS NEWS



How A Near-Fatal Financial Problem Was Solved

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In 1937, APCON & CO.*, was fighting for its life. Several years of losses had aroused dissension among the officers.

Net worth had been reduced to $40,600. The year's sales were down to $332,700.

An involuntary petition in bankruptcy was thrown out by the court because the company was still solvent, though sinking. But it faced the double problem of building up a profitable volume of sales and at the same time taking care of trade obligations.

With the working capital account showing a deficit, the problem was desperate. The company *had* to extend credit in order to sell. But it *had to have cash* in order to exist. In this crisis, APCON turned to Commercial Credit Open Account Financing as its sole hope.

Progress was steady under the new financing arrangement. In 1939 sales were up to $555,500 with net profit of $17,300. There was $9,000 of working capital. Net worth was $43,000.

1940 showed $792,000 of sales... $55,100 net profit . . . $27,800 working capital . . . and $95,700 net worth . . . a financial resurrection accomplished through the convenience and flexibility of Open Account Financing.

* * * *

The advantages of OPEN ACCOUNT and INVENTORY financing are not limited to concerns in financial difficulties. The greater liquidity afforded, without any additional investment or obligations, materially eases the problem of meeting pay-rolls, paying taxes, and discounting purchase bills. For full information send for a free copy of "COMPARATIVE COSTS OF FINANCING." Address Dep't. NB.

**A fictitious name, but the facts and figures, taken from our files can be verified.*

COMMERCIAL CREDIT COMPANY

"Non-Notification" Open Account Financing

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CAPITAL AND SURPLUS MORE THAN $60,000,000

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AMERICA AWAKES TO THE DANGER OF HIDDEN HUNGER

One-third of our people are suffering from HIDDEN HUNGER *{malnutrition} due to improper eating! An aroused nation has developed a new "Yardstick for Nutrition"... a food guide to chart our way to health, because sturdy health is vital to* NATIONAL DEFENSE. *And Item No. 1 on many proposed diets is*—DRINK MILK!

Come out of the valley of listless, half-well people into the sunlight of strength and vigor. Follow Uncle Sam's new "Yardstick for Nutrition"! Drink *milk* . . . and make it Sealtest Homogenized Vitamin "D" Milk.

Here's an ideal food to help fight HIDDEN HUNGER. It has 400 units of precious Vitamin "D" added to every quart. And—the cream is *all through* the milk! Every drop has its full share of nourishment . . . every glassful its own delicious, creamy flavor. Purity and freshness are assured by Sealtest Laboratory Supervision.

Like regular milk, it contains *many* of the minerals, proteins and other food elements so vital to buoyant health.

You may be a victim of HIDDEN HUNGER without knowing it. Millions of men, women and children are! Play safe by sensible eating and by drinking Sealtest Homogenized Vitamin "D" Milk with every meal.

Start today. Look for the dairy company in your community displaying the red-and-white Sealtest Symbol.

Sealtest, Inc. and its member-companies are subsidiaries of National Dairy Products Corporation.



Fight HIDDEN HUNGER with Sealtest Milk

Don't miss Rudy Vallee with John Barrymore—Sealtest Program, Thursdays, 10 P. M., e.s.t., NBC Red Network

Of course, *the pause that refreshes* is there

Where people go, Coca-Cola goes too. So, the pause that refreshes has gone to camp and training center to bring welcome refreshment to well-earned rest periods. Nobody knows better than the Services the importance of a pause for rest. On the march it is a regulation, men halt and fall out for 10 minutes out of every hour. A short pause is important, a pause for refreshment is even more so.



To think of Coca-Cola as a 5¢ soft drink is only natural. At first thought, the moment you spend in consuming ice-cold Coca-Cola may seem merely the casual, pleasant experience which it is. But, in a larger sense, it is really an important thing you are doing.

Research shows that a pause plus refreshment during the day brings physical and psychological benefits to people engaged at work. Such rest-periods . . . pauses . . . have been shown to reduce industrial accidents caused by a lessening of alertness. They have demonstrated specific value in businesses and industries.

Yes, Coca-Cola *is* only a five-cent soft drink, but because of everybody's need for a moment of relaxation and refreshment, *the pause that refreshes* with ice-cold Coca-Cola has become an everyday custom with millions of people, everywhere. It made such expressions as, "Let's have a 'Coca-Cola'" and "Won't you join me in a 'Coke'" familiar phrases commonly heard and used. Such a thing could hardly have happened without an important reason for it.



THE TWENTY-FOUR-BOTTLE CASE FOR COCA-COLA The case for Coca-Cola, holding twenty-four bottles, is the primary unit in supplying high-volume outlets for Coca-Cola. Every day those quickly recognizable bottlers' trucks with the trade-mark "Coca-Cola" go by, neatly stocked with these cases of Coca-Cola. Both bring refreshment, known to all, to people in every walk of life.



Enjoy *The Pause that Refreshes* with ice-cold Coca-Cola

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MISSION COMPLETED! They're some of Britain's "Baltimore" Bombers—designed and built by Martin to meet R.A.F. tactical requirements . . . What was their mission? It may have been a swift bombing raid. Or a long-range reconnaissance flight. Or to use their heavy fire power as fighters in air combat . . . More and more of these Martin "Baltimore" Bombers are joining the R. A. F.—in numbers that are bad news for aggressors. . . . The Glenn L. Martin Company, Baltimore, Maryland, U. S. A.

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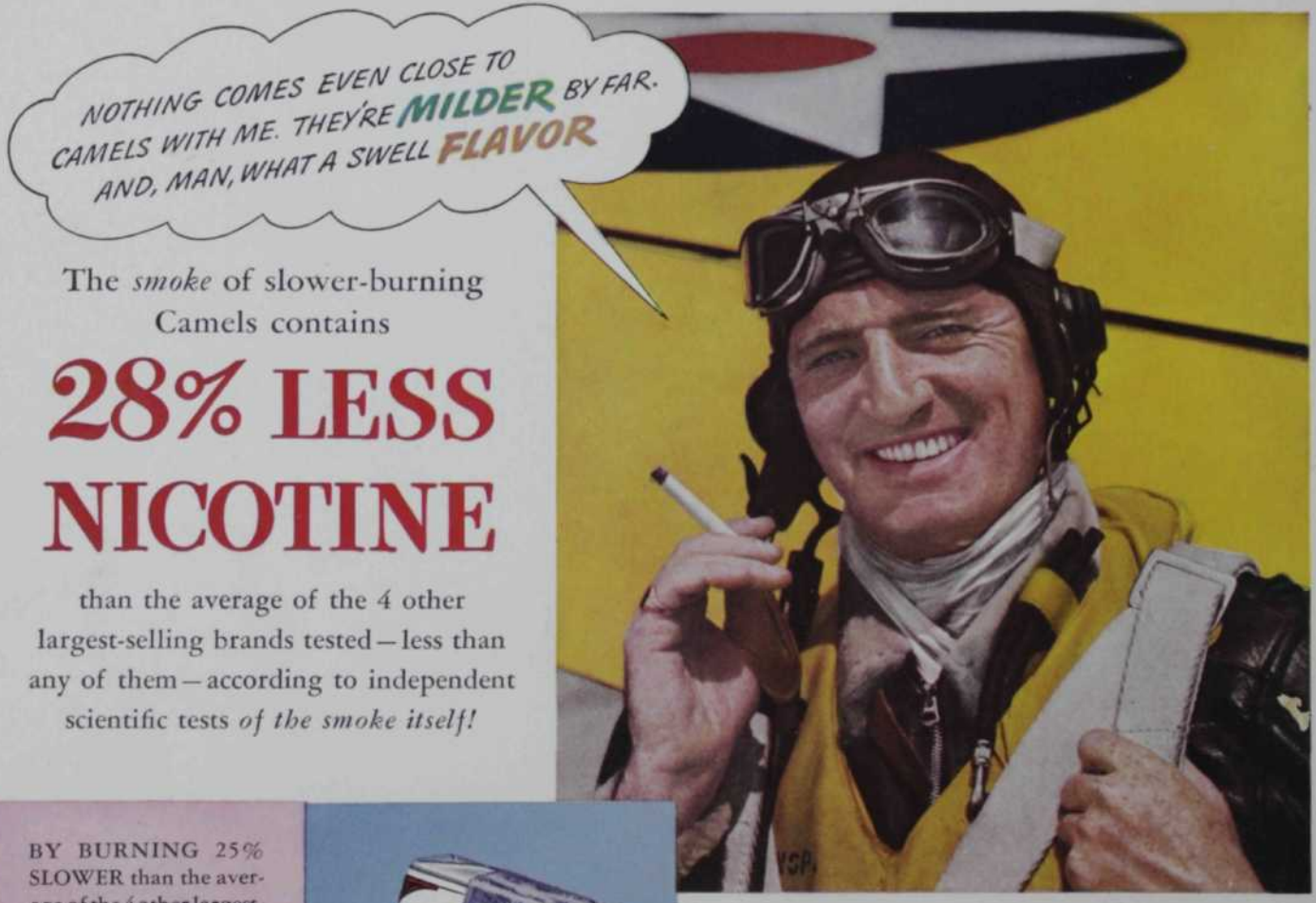
XSB2C-1—It's the Navy's new dive-bombing sensation—Test Pilot Bill Ward at the stick






HOW DOES IT FEEL to dive *straight down* from several miles up? Bill Ward knows. He's the test pilot who put this amazing new Curtiss dive bomber through her paces for the Navy. That's Bill *(left, above)* smoking his *(and the Navy man's)* favorite cigarette. He'll tell you—

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The *smoke* of slower-burning Camels contains

28% LESS NICOTINE

than the average of the 4 other largest-selling brands tested—less than any of them—according to independent scientific tests *of the smoke itself!*

BY BURNING 25% SLOWER than the average of the 4 other largest-selling brands tested—slower than any of them—Camels also give you a smoking *plus* equal, on the average, to

5 EXTRA SMOKES PER PACK!

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CAMEL THE CIGARETTE OF COSTLIER TOBACCOS

Test Pilot Bill Ward shares the Navy man's preference for the cigarette of costlier tobaccos... Camel

SPEAKING of tests, Bill Ward adds: "Those recent laboratory tests showing less nicotine in the smoke of Camels only go to prove what I've always found in my smoking—Camels are milder in *lots of ways*. That's what counts with me."

Light up a Camel yourself. You'll know in the first few flavorful puffs why, with men in the service*... with the millions behind them... it's Camels. (*Based on actual sales records in the Army, Navy, Marines, and Coast Guard.)